



Budget 2019-20

Portfolio Budget Statements 2019-20 Budget Related Paper No. 1.1

Agriculture and Water Resources
Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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ISSN: 2207-5569 (print) 2207-5577 (online)

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THE HON. DAVID LITTLEPROUD MP
PARLIAMENT HOUSE
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President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2019-20 Budget for the Agriculture and Water Resources portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in dark ink, consisting of a large, stylized 'D' followed by a series of loops and a long horizontal stroke.

David Littleproud
Minister for Agriculture and Water Resources

ABBREVIATIONS AND CONVENTIONS

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Scott Brown, Acting Chief Finance Officer, Department of Agriculture and Water Resources, on 02 6272 5523.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

USER GUIDE TO THE PORTFOLIO BUDGET STATEMENTS

USER GUIDE

The purpose of the 2019–20 Portfolio Budget Statements (PBS) is to inform Senators and Members of Parliament of the proposed allocation of resources to government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

The PBS facilitates understanding of proposed appropriations in Appropriation Bills (No. 1 and No. 2) 2019–20. For this reason the PBS is declared by the Appropriation Acts to be a ‘relevant document’ to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

The PBS provides information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

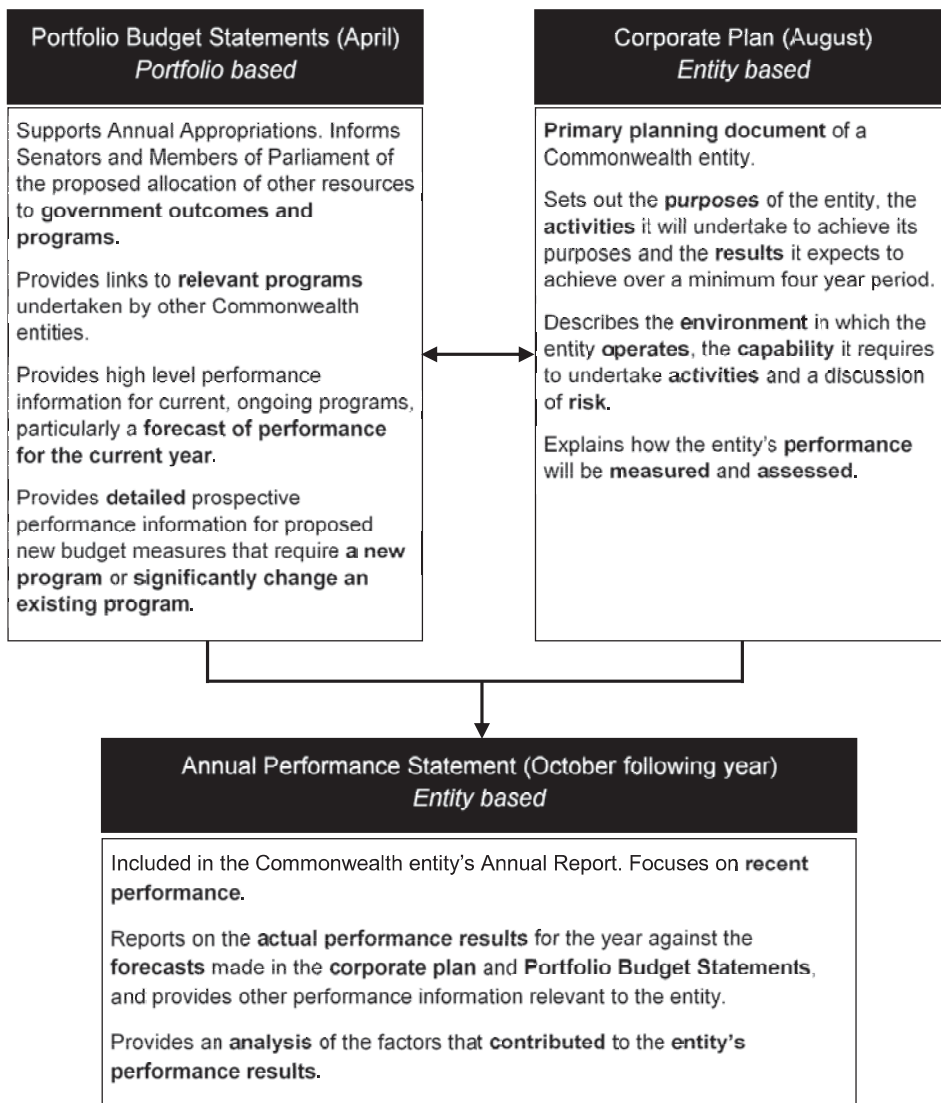
As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PBS where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Enhanced Commonwealth Performance Framework

The following diagram outlines the key components of the enhanced Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and planned performance.

Enhanced Commonwealth Performance Framework

Key components of relevant publications



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PORTFOLIO OVERVIEW

AGRICULTURE AND WATER RESOURCES PORTFOLIO OVERVIEW

Minister and portfolio responsibilities

The Agriculture and Water Resources portfolio supports the sustainability, profitability and competitiveness of Australia's agriculture, fisheries and forestry industries. The Minister for Agriculture and Water Resources and the Assistant Minister for Agriculture and Water Resources oversee the portfolio.

From 1 July 2019 the portfolio will consist of:

- Australian Government Department of Agriculture and Water Resources;
- AgriFutures Australia;
- Australian Fisheries Management Authority;
- Australian Pesticides and Veterinary Medicines Authority;
- Cotton Research and Development Corporation;
- Fisheries Research and Development Corporation;
- Grains Research and Development Corporation;
- Murray-Darling Basin Authority;
- Regional Investment Corporation; and
- Wine Australia.

Each entity within the portfolio has at least one outcome and program. Details are provided in each entity's section of this document.

For information on resourcing across the portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

Figure 1: Agriculture and Water Resources portfolio structure and outcomes



Other industry-owned and not-for-profit companies related to the portfolio

Australian industry-owned companies are independent corporate entities, established under specific legislation with expertise-based boards. The company members appoint the directors of the board. Companies are accountable to the Minister for Agriculture and Water Resources through legislation and statutory funding agreements and are entitled to receive industry levies and matching government funding for eligible research and development (R&D). These entities report outside of the general government sector.

The following industry-owned companies provide R&D and marketing services:

- Australian Eggs Limited;
- Australian Livestock Export Corporation Limited;
- Australian Meat Processor Corporation Limited;
- Australian Pork Limited;
- Australian Wool Innovation Limited;
- Dairy Australia Limited;
- Forest and Wood Products Australia Limited;
- Horticulture Innovation Australia Limited;
- Meat and Livestock Australia Limited; and
- Sugar Research Australia Limited.

The Government provides funding to the following not-for-profit, portfolio-related companies:

- Animal Health Australia;
- Landcare Australia Limited; and
- Plant Health Australia Limited.

ENTITIES' RESOURCES AND PLANNED PERFORMANCE

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AGRIFUTURES AUSTRALIA	69
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DEPARTMENT OF AGRICULTURE AND WATER RESOURCES

ENTITY RESOURCES AND PLANNED PERFORMANCE

DEPARTMENT OF AGRICULTURE AND WATER RESOURCES

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DEPARTMENT OF AGRICULTURE AND WATER RESOURCES

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department of Agriculture and Water Resources works with national and international governments and industry partners to grow the value of agricultural trade and reduce risk to the agricultural sector.

Australian agriculture, fisheries and forestry are multi-billion dollar industries employing hundreds of thousands of people. Our department has a diverse role as a policy adviser to government, researcher, market access negotiator, regulator, program administrator and service provider. Collectively, this work contributes to maintaining and improving market access for primary producers, encouraging agricultural productivity in Australia's primary industries and supporting sustainable, high-quality natural resources to benefit producers and the community.

We work to ensure Australia's trading interests are represented and we negotiate on market access measures that benefit Australian producers, industries and consumers. This work is multifaceted and includes negotiating technical market access protocols, undertaking export certification services to ensure Australian commodities meet importing country requirements, and managing export quotas.

Australia's biosecurity system aims to anticipate, prevent, prepare, detect, respond to and recover from threats to agriculture sectors, human health and the environment. The volume of passengers, cargo and mail is increasing and global trade pathways are becoming more complex. We implement a risk-based approach supported by research, science and intelligence to target what matters most.

Australia's water is critical to the future of agriculture and the wellbeing of the environment and our communities. We work to improve the health of rivers and freshwater systems, to ensure the sustainable, efficient and productive management and use of water resources, and to achieve social, economic and environmental benefits to water users and the community.

We work in partnership with state and territory governments, primary industries and the community to grow the agricultural sector. The range of this work makes for a diverse and dynamic operating environment that also interacts with a range of other global systems.

Our enterprise capabilities underpin the delivery of all of our work. We are focused on building our capabilities—people, processes and systems—to underpin the achievement of our objectives.

Outcomes

The department is responsible for three outcomes:

Outcome 1: More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.

Outcome 2: Safeguard Australia's animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.

Outcome 3: Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (Government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4: Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome X' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Department of Agriculture and Water Resources – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019

	2018–19 ^(a) Estimated actual \$'000	2019–20 Estimate \$'000
<u>Departmental</u>		
Annual appropriations – ordinary annual services^(b)		
Departmental appropriation ^(c)	382,674	396,848
Prior year appropriations available ^(d)	51,094	30,695
Section 74 external revenue ^(e)	17,876	13,651
Departmental capital budget ^(f)	9,824	9,843
Annual appropriations – other services – non-operating^(g)		
Prior year appropriations available ^(d)	16,390	2,271
Equity injection	4,517	5,123
Total departmental annual appropriations	482,375	458,431
Special accounts^(h)		
Opening balance ^(d)	30,087	30,087
Appropriation receipts ⁽ⁱ⁾	125,307	110,348
Non-appropriation receipts	424,890	426,663
Total special account receipts	580,284	567,098
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(125,307)</i>	<i>(110,348)</i>
Total departmental resourcing	937,352	915,181

Continued on following pages

Table 1.1: Department of Agriculture and Water Resources – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019 (continued)

	2018–19 ^(a) Estimated actual \$'000	2019–20 Estimate \$'000
<u>Administered</u>		
Annual appropriations – ordinary annual services^(b)		
Outcome 1	97,679	112,224
Outcome 2	37,981	33,367
Outcome 3	238,069	168,796
Prior year appropriations available ^(d)	136,951	111,007
Annual appropriations – other services – non-operating^(a)		
Prior year appropriations available ^(d)	446,039	376,935
Administered assets and liabilities	695,478	500,000
Total administered annual appropriations	1,652,197	1,302,329
Total administered special appropriations^(h)	1,014,360	903,465
Special accounts^(h)		
Opening balance ^(d)	589,698	796,643
Appropriation receipts ⁽ⁱ⁾	320,218	350,196
Non-appropriation receipts	2,238	2,276
Total special account receipts	912,154	1,149,115
<i>less administered appropriations drawn from annual/special appropriations and credited to special accounts</i>	(218)	(196)
<i>less payments to corporate entities from annual/special appropriations^(j)</i>	(317,664)	(364,401)
Total administered resourcing	3,260,829	2,990,312
Total resourcing for Department of Agriculture and Water Resources	4,198,181	3,905,493
	2018–19	2019–20
Average staffing level (number)	4,657	4,440

(a) Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–19, as they had not been enacted at the time of publication. For the department, the Bills include \$80.687 million in administered appropriation, \$9.138 million in departmental appropriation, \$20.000 million in administered assets and liabilities and \$2.756 million in departmental equity injection in 2018–19.

(b) Appropriation Bill (No. 1) 2019–20.

(c) Excludes departmental capital budget (DCB).

(d) Total estimated unspent appropriation is \$1,270.3 million in 2018–19 and \$1,347.6 million in 2019–20. This also includes opening special account balances (but excluding 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and non-agency bodies accounts (SOG) or Services for Other Entities and Trust Moneys accounts (SOETM)).

(e) Estimated external revenue under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Continued on following pages

Table 1.1: Department of Agriculture and Water Resources – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019 (continued)

- (f) Departmental capital budgets are not separately identified in Appropriation Bill (No. 1) 2019–20 and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.
- (g) Appropriation Bill (No. 2) 2019–20.
- (h) For further information on special appropriations and special accounts, refer to *Budget Paper No. 4: Agency Resourcing*. Please also see Table 2.3.1, 2.4.1 and 2.5.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.
- (i) Amounts credited to the special account(s) from the department's annual appropriations.
- (j) 'Corporate entities' are corporate Commonwealth entities and Commonwealth companies as defined under the PGPA Act.

Prepared on a resourcing (i.e. appropriations available) basis.

Note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

Continued on following page

Table 1.1: Department of Agriculture and Water Resources – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019 (continued)

	2018–19 Estimated actual \$'000	2019–20 Estimate \$'000
Payments made by other entities on behalf of Department of Agriculture and Water Resources	163,418	59,712
Payments made to other entities for the provision of services (disclosed above)	66,579	61,383
Receipts received from other entities for the provision of services (disclosed above in section 74 external revenue section above)	6,770	6,770
Draw-downs made on behalf of corporate entities within the portfolio		
Australian Pesticides and Veterinary Medicines Authority		
– Administered Appropriation Bill (No. 1)	1,606	1,606
Relocation of the Australian Pesticides and Veterinary Medicines Authority		
– Administered Appropriation Bill (No. 1)	23,296	4,089
Murray-Darling Basin Authority		
– Administered Appropriation Bill (No. 1)	91,700	75,628
– Administered Appropriation Bill (No. 2)	-	7,425
Regional Investment Corporation		
– Administered Appropriation Bill (No. 1)	12,555	15,414
Total draw-downs on behalf of corporate entities within the portfolio	129,157	104,162
Payments made to corporate entities within the Portfolio:		
AgriFutures Australia		
Administered Appropriation Bill (No. 1)	10,479	10,220
Special Appropriation	10,511	19,517
Australian Pesticides and Veterinary Medicines Authority		
Administered Appropriation Bill (No. 1)	130	133
Special Appropriation	31,576	28,630
Cotton R&D Corporation		
Special Appropriation	18,325	11,678
Fisheries R&D Corporation		
Administered Appropriation Bill (No. 1)	2,015	-
Special Appropriation	23,555	24,607
Grains R&D Corporation		
Special Appropriation	159,786	199,004
Murray-Darling Basin Authority		
Administered Appropriation Bill (No. 1)	12,006	11,518
Wine Australia		
Administered Appropriation Bill (No. 1)	15,924	26,062
Special Appropriation	33,357	33,032
Total payments to corporate entities from annual/special appropriations	317,664	364,401

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the department are detailed in *Budget Paper No.2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Revenue measures						
Biosecurity Imports Levy – Revised Start Date ^(a)	2.1					
Administered revenues		-	(20,000)	-	-	-
Departmental revenues		-	-	-	-	-
Total		-	(20,000)	-	-	-
North Queensland Flood Recovery Package ^(b)	1.11					
Administered revenues		-	(3,596)	(8,798)	(4,406)	5,114
Departmental revenues		-	-	-	-	-
Total		-	(3,596)	(8,798)	(4,406)	5,114
Primary Industries – Changes to Agricultural Production Levy ^(c)	2.2					
Administered revenues		-	(2,900)	(2,900)	(2,900)	(2,900)
Departmental revenues		-	-	-	-	-
Total		-	(2,900)	(2,900)	(2,900)	(2,900)
Total revenue measures						
Administered		-	(26,496)	(11,698)	(7,306)	2,214
Departmental		-	-	-	-	-
Total		-	(26,496)	(11,698)	(7,306)	2,214
Expense measures						
Regional Investment Corporation						
North Queensland Flood Recovery Package ^{(b),(d)}	1.11					
Administered expenses		-	2,463	754	755	760
Departmental expenses		-	-	-	-	-
Total		-	2,463	754	755	760

Continued on following pages

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures (continued)

Part 1: Measures announced since the 2018–19 MYEFO (continued)

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Expense measures (continued)						
Agriculture Stewardship Package	1.2					
Administered expenses		-	4,050	9,546	9,542	7,786
Departmental expenses		-	950	704	708	714
Total		-	5,000	10,250	10,250	8,500
Australia's Indo-Pacific Engagement – Enhanced Engagement in Asia ^(e)	1.13					
Administered expenses		-	1,870	2,145	2,145	2,045
Departmental expenses		-	449	276	277	279
Total		-	2,319	2,421	2,422	2,324
Beef Australia 2021	1.10					
Administered expenses		-	800	2,700	400	-
Departmental expenses		-	8	1	1	-
Total		-	808	2,701	401	-
Commonwealth Integrity Commission	OC1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	(502)	-	-	-
Total		-	(502)	-	-	-
Concessional Treatment for the Forced Sale of Livestock under the Farm Household Allowance Program	1.12					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Dairy Code of Conduct ^(f)	OC1, 1.10					
Administered expenses		-	-	-	(435)	-
Departmental expenses		-	111	158	28	29
Total		-	111	158	(407)	29
Enhancing Australia's Agricultural Trade ^(g)	1.13, 2.1, 2.2					
Administered expenses		-	2,000	3,600	3,570	2,000
Departmental expenses		-	3,672	4,708	4,688	3,988
Total		-	5,672	8,308	8,258	5,988

Continued on following pages

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures (continued)

Part 1: Measures announced since the 2018–19 MYEFO (continued)

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Expense measures (continued)						
National Agricultural Workforce Strategy	1.10					
Administered expenses		-	100	350	309	308
Departmental expenses		-	400	250	91	92
Total		-	500	600	400	400
National Drought Map and Indicators	OC1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	1,480	1,504	686	533
Total		-	1,480	1,504	686	533
National Leadership for Agricultural Innovation	1.10					
Administered expenses		-	500	442	-	-
Departmental expenses		-	535	929	494	-
Total		-	1,035	1,371	494	-
North Queensland Flood Recovery Package ^(b)	1.11					
Administered expenses		-	60,564	60,564	-	-
Departmental expenses		-	-	-	-	-
Total		-	60,564	60,564	-	-
Primary Industries – Changes to Agricultural Production Levy ^(c)	2.2					
Administered expenses		-	(2,900)	(2,900)	(2,900)	(2,900)
Departmental expenses		-	-	-	-	-
Total		-	(2,900)	(2,900)	(2,900)	(2,900)
Red Imported Fire Ants Eradication Program – Acceleration	2.2					
Administered expenses		-	-	-	-	-
Departmental expenses		-	-	-	-	-
Total		-	-	-	-	-
Total expense measures						
Administered		-	69,447	77,201	13,386	9,999
Departmental		-	7,103	8,530	6,973	5,635
Total		-	76,550	85,731	20,359	15,634

Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Prepared on a Government Finance Statistics (Fiscal) basis.

Continued on following pages

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures (continued)
Part 1: Measures announced since the 2018–19 MYEFO (continued)

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Capital measures						
Enhancing Australia's Agricultural Trade ^(g)	OC1					
Administered capital		-	-	-	-	-
Departmental capital		-	1,212	-	-	-
Total		-	1,212	-	-	-
Total capital measures						
Administered		-	-	-	-	-
Departmental		-	1,212	-	-	-
Total		-	1,212	-	-	-

(a) The revised start date for the Biosecurity Imports Levy is 1 September 2019.

(b) The measure description appears in *Budget Paper No. 2: Budget Measures 2019–20* under Cross Portfolio.

(c) The measure 'Primary Industries – Changes to Agricultural Production Levy' appears under revenue and expense measure headings. The change is being made in consultation with the banana industry. Further details are below:

Title	Treatment	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Banana	1. From 1 July 2019, the Government will decrease the Emergency Plant Pest Response (EPPR) component of the banana levy from 0.75 of a cent per kilogram to zero, in consultation with the Australian Banana Growers' Council. This component of the banana levy funded the costs paid by the Government on behalf of the industry in relation to the 2013 emergency response to banana freckle in the Northern Territory. As these costs are anticipated to be fully repaid by August 2019, this component of the banana levy will be deactivated from 1 July 2019 with remaining costs repaid through the Plant Health Australia component of the banana levy.	-	(2,900)	(2,900)	(2,900)	(2,900)
	<i>Total revenue impact</i>	-	(2,900)	(2,900)	(2,900)	(2,900)
	<i>Total expense impact</i>	-	(2,900)	(2,900)	(2,900)	(2,900)
Total changes to agricultural production levies – Revenue		-	(2,900)	(2,900)	(2,900)	(2,900)
Total changes to agricultural production levies – Expense		-	(2,900)	(2,900)	(2,900)	(2,900)

(d) Funding for this measure passes through the department to the Regional Investment Corporation.

(e) The lead entity for the measure *Australia's Indo-Pacific Engagement – Enhanced Engagement in Asia* is Department of Foreign Affairs and Trade. The measure description appears in the *Budget Paper No. 2: Budget Measures 2019–20* under the Foreign Affairs and Trade portfolio. Provision for this measure was included in the contingency reserve as part of the 2018–19 MYEFO.

(f) The measure *Dairy Code of Conduct* includes a reduction of \$0.435 million to the Rural Research and Development for Profit Program in 2021–22.

(g) The measure *Enhancing Australia's Agricultural Trade*, has multiple components: Accelerating Horticulture Market Access (\$11.400 million over four years, ongoing), Agriculture Trade and Market Access Cooperation Program (\$6.800 million over four years), Enhancing Industry Action on Non-Tariff Measures (\$5.100 million over four years, ongoing) and Package Assisting Small Exporters (\$6.138 million over four years).

Continued on following page

Table 1.2: Department of Agriculture and Water Resources 2019–20 Budget measures (continued)

Part 2: Other measures not previously reported in a portfolio statement

The Department of Agriculture and Water Resources does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements — included in annual reports — to provide an entity's complete performance story.

The most recent corporate plan for the Department of Agriculture and Water Resources can be found at:

agriculture.gov.au/about/reporting/corporate-plan.

The most recent annual performance statements for the Department of Agriculture and Water Resources can be found at:

agriculture.gov.au/about/reporting/annualreport.

2.1 PERFORMANCE CRITERIA AND RESULTS FOR OBJECTIVES 2018–19, 2019–20 AND BEYOND

The department works to achieve its purpose through three objectives. Figure 2 shows which programs contribute to these objectives.

Figure 2: Department of Agriculture and Water resources objectives by program

Program	Objectives		
	Increase, improve and maintain markets	Encourage agricultural productivity	Support sustainable, high-quality natural resources
	<i>Manage risks to market access</i>	<i>Manage risks to agricultural productivity</i>	<i>Manage risks to natural resources</i>
1.1 Agricultural Adaptation		✓	✓
1.2 Sustainable Management – Natural Resources		✓	✓
1.3 Forestry Industry	✓	✓	✓
1.4 Fishing Industry	✓	✓	✓
1.5 Horticulture Industry	✓	✓	✓
1.6 Wool Industry	✓	✓	✓
1.7 Grains Industry	✓	✓	✓
1.8 Dairy Industry	✓	✓	✓
1.9 Meat and Livestock Industry	✓	✓	✓
1.10 Agricultural Resources	✓	✓	✓
1.11 Drought Programs		✓	✓
1.12 Rural Programs		✓	✓
1.13 International Market Access	✓		
2.1 Biosecurity and Export Services	✓	✓	✓
2.2 Plant and Animal Health	✓	✓	✓
3.1 Water Reform		✓	✓

Table 2.2.1: Performance criteria for objectives

Table 2.2.1 below details the forecast performance results for each objective in 2018–19 and the performance criteria for 2019–20 and forward years. Results are presented against the objectives in the 2018–19 Portfolio Budget Statements and the 2018–19 Corporate Plan.

Objective 1: Increase, improve and maintain markets		
Year	Performance criteria	Targets
2018–19 (forecast result)	The trend in value of agricultural exports increases in real terms over time.	In 2018–19 the value of exports is forecast to be \$50.3 billion, compared to the 10-year average to 2017–18 of \$48.1 billion (expressed in 2018–19 dollars). ^(a)
2019–20 and beyond	As per 2018–19.	The value of agricultural, forestry and fishery exports exceeds the average value of the previous 10 years.

(a) The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) reports agricultural, fisheries and forestry exports in its quarterly *Agricultural Commodities* report and in its annual *Agricultural Commodity Statistics* report.

Objective 2: Encourage agricultural productivity		
Year	Performance criteria	Targets
2018–19 (forecast result)	Portfolio industries record an increase in productivity.	Over the 10 years to 2018–19, average annual productivity growth for the agriculture, forestry and fishing sectors was 2.01 per cent. This was higher than annual market sector productivity growth, which averaged 0.32 per cent over the same period. ^(a)
2019–20 and beyond	As per 2018–19.	Average annual productivity growth for the past 10 years is equal to or exceeds average annual market sector productivity growth over the same period.

(a) Total factor productivity (TFP) was chosen as the measure of productivity, and is measured on a value-added basis. Note that agricultural productivity is susceptible to significant volatility due to seasonal conditions, so the trend of TFP between 1995–96 and 2018–19 has been used to calculate productivity growth. The data used is from the Australia Bureau of Statistics, with a forecast for 2018–19.

Continued on following page

Table 2.2.1: Performance criteria for objectives (continued)

Objective 3: Support sustainable, high-quality natural resources		
Year	Performance criteria	Targets
2018–19 (forecast result)	The quality of the resource base is maintained or improved.	<p>The number of fish stocks solely managed by the Commonwealth that are not overfished has improved, increasing from 72 per cent in 2016 to 74 per cent in 2017.^{(a),(b)}</p> <p>It is forecast that gap bridging water to meet Sustainable Diversion Limit recovery targets under the Murray–Darling Basin Plan is recovered by 30 June 2019.^(c)</p> <p>Results against whether groundcover on agricultural land was maintained or increased when compared with the average for the past 10 years (relative to rainfall) will be available in late 2019.^(d)</p>
2019–20 and beyond	As per 2018–19.	The status and productivity of agricultural land, water resources and Commonwealth fisheries is at least maintained in trend terms.

(a) Based on the ABARES *Fishery Status Reports 2018*.

(b) Status is assessed retrospectively for the previous year.

(c) Water recovery includes 62 gigalitres (GL) of efficiency measures to allow for the full 605GL supply contribution within the 5 per cent Sustainable Diversion Limit Adjustment Mechanism limit.

(d) The relevant projects to assist in reporting against this outcome commenced in late 2018.

2.2 BUDGETED EXPENSES FOR OUTCOME 1

Outcome 1: More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.

Linked programs

Portfolio Agencies:

AgriFutures Australia
 Australian Fisheries Management Authority
 Australian Pesticides and Veterinary Medicines Authority
 Cotton Research and Development Corporation
 Fisheries Research and Development Corporation
 Grains Research and Development Corporation
 Regional Investment Corporation
 Wine Australia

Programs:

- Program 1.1: Australian Fisheries Management Authority
- Program 1.1: Australian Pesticides and Veterinary Medicines Authority
- Program 1.1: Cotton Research and Development Corporation
- Program 1.1: Fisheries Research and Development Corporation
- Program 1.1: Grains Research and Development Corporation
- Program 1.1: Rural Industries Research and Development Corporation
- Program 1.1: Regional Investment Corporation
- Program 1.1: Wine Australia

Contribution to Outcome 1 made by linked program:

AgriFutures Australia, Australian Fisheries Management Authority, Australian Pesticides and Veterinary Medicines Authority, Cotton, Fisheries and Grains Research and Development Corporations, Regional Investment Corporation and Wine Australia work together with the Department of Agriculture and Water Resources to ensure sustainable, productive and profitable agricultural industries.

Continued on following pages

Linked programs (continued)

Australian Trade and Investment Commission
Program: <ul style="list-style-type: none"> • Program 1.1: Promotion of Australia's export and other international economic interests • Program 1.2: Programs to promote Australia's export and other international economic interests
Contribution to Outcome 1 made by linked program: The Department of Agriculture and Water Resources and Australian Trade and Investment Commission work together to achieve the best outcomes for Australian agricultural, fisheries and forestry exports.
Bureau of Meteorology
Program: <ul style="list-style-type: none"> • Program 1.1: Bureau of Meteorology
Contribution to Outcome 1 made by linked program: The Bureau of Meteorology provides weather, climate and water modelling and information to the Department of Agriculture and Water Resources.
Department of Human Services
Program: <ul style="list-style-type: none"> • Program 1.1: Services to the Community – Social Security and Welfare
Contribution to Outcome 1 made by linked program: The Department of Human Services manages payments under the <i>Farm Household Support Act 2014</i> on behalf of the Department of Agriculture and Water Resources.

Continued on following pages

Linked programs (continued)

Department of Industry, Innovation and Science
Program: <ul style="list-style-type: none"> Program 1: Supporting Science and Commercialisation
Contribution to Outcome 1 made by linked program: <p>The Departments of Agriculture and Water Resources, Industry, Innovation and Science, and the Environment and Energy are working collaboratively in the planning phase of the National Carp Control Plan, which is being delivered by the Fisheries Research and Development Corporation.</p>
Department of the Environment and Energy
Programs: <ul style="list-style-type: none"> Program 1.1: Sustainable Management of Natural Resources and the Environment Program 1.4: Conservation of Australia's Heritage and the Environment
Contribution to Outcome 1 made by linked programs: <p>The Department of Agriculture and Water Resources and the Department of the Environment and Energy work together under a memorandum of understanding to deliver the National Landcare Program.</p> <p>The Department of Agriculture and Water Resources and the Department of the Environment and Energy also work together through engagement on forests (Regional Forest Agreements), wildlife trade and fisheries policy. The Departments of Agriculture and Water Resources, Industry, Innovation and Science, and the Environment and Energy are working collaboratively in the planning phase of the National Carp Control Plan, which is being delivered by the Fisheries Research and Development Corporation.</p>
Department of the Prime Minister and Cabinet
Program: <ul style="list-style-type: none"> Program 2.1: Indigenous Advancement – Jobs, Land and Economy
Contribution to Outcome 1 made by linked program: <p>The Departments of Agriculture and Water Resources, the Environment and Energy, and the Prime Minister and Cabinet work together to provide opportunities for Indigenous communities and land managers to engage with the National Landcare Program.</p>

Continued on following page

Linked programs (continued)

Department of the Treasury
Program: <ul style="list-style-type: none">• Program 1.9: National Partnership Payments to the States
Contribution to Outcome 1 made by linked program: <p>The Department of the Treasury contributes to Outcome 1 by making payments for the following national partnership agreements on behalf of the Department of Agriculture and Water Resources:</p> <ul style="list-style-type: none">• National Partnership for the Mechanical Fuel Load Reduction Trials;• National Partnership for the National Forestry Industry Plan;• National Partnership on Assistance for Pest Animal and Weed Management in Drought-Affected Areas;• National Partnership on Grants Assistance to Primary Producers Impacted by the North Queensland Floods;• National Partnership on South Australian River Murray Sustainability Program – Irrigation Industry Assistance Component; and• National Partnership on the Management of Established Pests and Weeds.

Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.3.1: Budgeted expenses for Outcome 1

Outcome 1: More sustainable, productive, internationally competitive and profitable Australian agricultural, food and fibre industries through policies and initiatives that promote better resource management practices, innovation, self-reliance and improved access to international markets.					
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.2: Sustainable Management – Natural Resources					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Agriculture Stewardship Package	-	4,050	9,546	9,542	7,786
National Carp Control Plan	2,015	-	-	-	-
Pest Animal and Weeds Management	5,873	4,790	4,174	5,786	8,493
Administered total	7,888	8,840	13,720	15,328	16,279
<u>Special account</u>					
Natural Resources Management Account – s. 80, PGPA Act [s. 11, <i>Natural Resources Management (Financial Assistance) Act 1992</i>]	2,590	-	-	-	-
Special account total	2,590	-	-	-	-
Total Program expenses	10,478	8,840	13,720	15,328	16,279

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.3: Forestry Industry					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
National Forestry Industries Plan	1,200	4,580	4,140	4,600	-
National Institute for Forest Products Innovation	1,000	1,000	800	-	-
Administered total	2,200	5,580	4,940	4,600	-
<u>Special appropriations</u>					
<i>Forestry Marketing and Research and Development Services Act 2007, s. 9(1) – payments and matching payments to an industry services body and Commonwealth administration expenses</i>					
	12,780	12,901	13,126	13,356	13,590
Special Appropriation total	12,780	12,901	13,126	13,356	13,590
Total Program expenses	14,980	18,481	18,066	17,956	13,590
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.4: Fishing Industry					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Fisheries Resources Research Fund	529	547	2,405	2,446	2,488
Administered total	529	547	2,405	2,446	2,488
<u>Special appropriations</u>					
<i>Primary Industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation</i>					
	23,555	24,607	25,443	26,243	27,069
Special Appropriation total	23,555	24,607	25,443	26,243	27,069
Total Program expenses	24,084	25,154	27,848	28,689	29,557

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.5: Horticulture Industry					
Administered expenses					
<u>Special appropriations</u>					
<i>Horticulture Marketing and Research and Development Services Act 2000, s. 16(9) – payments to industry services body</i>	108,516	110,831	112,109	113,036	113,602
Total Program expenses	108,516	110,831	112,109	113,036	113,602
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.6: Wool Industry					
Administered expenses					
<u>Special appropriations</u>					
<i>Wool Services Privatisation Act 2000, s. 31(4) – funding contract with research body</i>	86,600	69,500	71,500	74,000	77,000
Total Program expenses	86,600	69,500	71,500	74,000	77,000
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.7: Grains Industry					
Administered expenses					
<u>Special appropriations</u>					
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains R&D Corporation – Other Grains</i>	73,747	99,331	101,520	106,377	110,457
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains R&D Corporation – Wheat</i>	86,039	99,673	101,539	107,371	111,992
Total Program expenses	159,786	199,004	203,059	213,748	222,449

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.8: Dairy Industry					
Administered expenses					
<u>Special appropriations</u>					
<i>Dairy Produce Act 1986, s. 6(1) – payments under funding contract</i>	48,740	47,741	47,860	48,624	49,385
Total Program expenses	48,740	47,741	47,860	48,624	49,385
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.9: Meat and Livestock Industry					
Administered expenses					
<u>Special appropriations</u>					
<i>Australian Meat and Live-stock Industry Act 1997, s. 63(2) – payments to marketing body</i>	87,884	85,947	87,833	89,769	90,096
<i>Australian Meat and Live-stock Industry Act 1997, s. 64(2) – payments to research body</i>	30,153	29,915	30,531	31,260	31,394
<i>Australian Meat and Live-stock Industry Act 1997, s. 64A(2) – payments to marketing body</i>	3,451	3,311	3,488	3,488	3,488
<i>Australian Meat and Live-stock Industry Act 1997, s. 64B(2) – payments to research body</i>	691	663	698	698	698
<i>Australian Meat and Live-stock Industry Act 1997, s. 64C(2) – payments to marketing body</i>	7,552	7,183	7,350	7,603	7,703
<i>Australian Meat and Live-stock Industry Act 1997, s. 64D(2) – payments to research body</i>	11,328	10,774	11,024	11,405	11,554
<i>Australian Meat and Live-stock Industry Act 1997, s. 66(1) – Commonwealth contribution to research body</i>	79,949	80,357	81,113	82,757	86,239
<i>Pig Industry Act 2001, s. 10(1) – payments under funding contract</i>	23,073	24,183	24,948	25,713	26,355
Total Program expenses	244,081	242,333	246,985	252,693	257,527

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.10: Agricultural Resources					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
A Competitive Agriculture Sector – boosting farm profits through rural research and development	23,151	16,595	18,500	17,591	-
A Competitive Agriculture Sector – improved access to agricultural and veterinary chemicals	2,050	2,050	-	-	-
Agricultural and Veterinary Chemicals Minor Use Program	130	133	135	137	139
AgriFutures Australia	9,479	9,220	9,376	9,535	9,697
Beef Week and Beef Australia	550	1,050	2,700	400	-
Changes to the Seasonal Worker Program	50	525	525	400	-
Leadership in Agriculture Industries Fund	1,206	-	-	-	-
National Agricultural Workforce Strategy	-	100	350	309	308
National Leadership for Agricultural Innovation	-	500	442	-	-
Northern Australia Rice Industry	1,000	1,000	-	-	-
Wine Australia	15,924	16,062	-	-	-
Wine Tourism and Cellar Door Grant	-	10,000	10,000	10,000	10,000
Administered total	53,540	57,235	42,028	38,372	20,144
<u>Payments to corporate entities (Draw-down)^(a)</u>					
Australian Pesticides and Veterinary Medicines Authority	1,606	1,606	1,632	1,660	1,688
Relocation of the Australian Pesticides and Veterinary Medicines Authority	23,296	4,089	2,792	295	-
Payments to corporate entities total	24,902	5,695	4,424	1,955	1,688

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.10: Agricultural Resources					
Administered expenses					
<u>Special appropriations</u>					
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992, s. 58(6) – amounts payable to the APVMA</i>	31,576	28,630	29,042	31,000	32,000
<i>Egg Industry Service Provision Act 2002, s. 8(1) – payments under funding contract</i>	10,623	10,829	11,149	11,255	11,361
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Cotton R&D Corporation</i>	18,325	11,678	13,630	17,410	17,410
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Rural Industries R&D Corporation</i>	10,511	19,517	19,994	22,584	22,646
<i>Sugar Research and Development Services Act 2013, s. 7 – payment to industry services body</i>	29,344	30,090	30,090	30,090	30,090
<i>Wine Australia Act 2013, s. 32 – payments to the Authority</i>	33,357	33,032	33,130	33,193	31,990
<i>Special Appropriation total</i>	133,736	133,776	137,035	145,532	145,497
Total Program expenses	212,178	196,706	183,487	185,859	167,329

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.11: Drought Programs					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Assistance for Farmers and Farm Communities in Drought – Drought Pest and Weeds	15,000	-	-	-	-
Farm Business Concessional Loans Scheme	175	-	-	-	-
Administered total	15,175	-	-	-	-
<u>Payments to corporate entities (Draw-down)^(a)</u>					
Regional Investment Corporation	12,555	15,414	14,110	14,345	14,454
Payments to corporate entities total	12,555	15,414	14,110	14,345	14,454
<u>Expenses not requiring appropriation in the budget year^(b)</u>					
Drought Concessional Loans Scheme – administration	2,106	786	127	-	-
Drought Recovery Concessional Loans Scheme – state administration	234	234	234	234	234
Farm Business Concessional Loans Scheme – discount expenses	54,853	111,729	111,729	54,853	-
Farm Business Concessional Loans Scheme – state administration	1,250	1,250	1,250	1,250	963
Future Drought Fund	-	-	100,000	100,000	100,000
Total	58,443	113,999	213,340	156,337	101,197
Total Program expenses	86,173	129,413	227,450	170,682	115,651

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.12: Rural Programs					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Assistance for Farmers and Farm Communities in Drought – Farm Hub	215	90	90	-	-
Rural Financial Counselling Service	21,688	16,940	17,229	17,522	17,819
Stronger Farmers, Stronger Economy – new drought management framework – managing farm risk program	903	-	-	-	-
Administered total	22,806	17,030	17,319	17,522	17,819
<u>Special appropriations</u>					
<i>Farm Household Support Act 2014, s. 105 – payments for Farm Household Allowance</i>	163,418	59,712	63,477	63,700	41,169
Special Appropriation total	163,418	59,712	63,477	63,700	41,169
<u>Expenses not requiring appropriation in the budget year^(b)</u>					
Farm Finance Concessional Loans Scheme – administration	1,550	-	-	-	-
<i>Farm Household Support Act 2014, s. 105 – payments for Farm Household Allowance</i>	5,706	5,706	5,706	5,706	5,706
Total	7,256	5,706	5,706	5,706	5,706
Total Program expenses	193,480	82,448	86,502	86,928	64,694

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.13: International Market Access					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Agriculture Trade and Market Access Cooperation Program	80	1,500	1,500	1,500	1,500
Enhancing Industry Action on Non-Tariff Measures	-	-	100	70	-
Food and Agriculture Organization of the United Nations	15,974	16,962	17,767	18,667	19,960
Indonesia-Australia Red Meat and Cattle Partnership	725	500	500	500	500
International Agricultural Cooperation	536	2,092	2,370	2,374	2,279
International Organisations Contributions	1,906	1,938	1,970	2,004	2,040
Total Program expenses	19,221	22,992	24,207	25,115	26,279
<u>Administered expenses</u>					
Administered appropriation	1,142,618	1,033,738	1,043,747	1,070,615	1,046,439
Expenses not requiring appropriation in the budget year ^(b)	65,699	119,705	219,046	162,043	106,903
Administered total	1,208,317	1,153,443	1,262,793	1,232,658	1,153,342
<u>Departmental expenses</u>					
Departmental appropriation ^{(c),(d)}	122,437	131,456	128,806	127,455	124,992
Expenses not requiring appropriation in the budget year ^(b)	3,820	3,820	3,820	3,820	3,820
Departmental total	126,257	135,276	132,626	131,275	128,812
Total expenses for Outcome 1	1,334,574	1,288,719	1,395,419	1,363,933	1,282,154

Continued on following pages

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Outcome 1 Totals by appropriation type					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))	121,359	112,224	104,619	103,383	83,009
Special appropriations	981,212	900,405	920,594	950,932	947,288
Special accounts	2,590	-	-	-	-
Payments to corporate entities (Draw-down)	37,457	21,109	18,534	16,300	16,142
Expenses not requiring appropriation in the budget year ^(b)	65,699	119,705	219,046	162,043	106,903
Administered total	1,208,317	1,153,443	1,262,793	1,232,658	1,153,342
<u>Departmental expenses</u>					
Departmental appropriation ^{(c),(d)}	122,437	131,456	128,806	127,455	124,992
Expenses not requiring appropriation in the budget year ^(b)	3,820	3,820	3,820	3,820	3,820
Department total	126,257	135,276	132,626	131,275	128,812
Total expenses for Outcome 1	1,334,574	1,288,719	1,395,419	1,363,933	1,282,154
	2018–19	2019–20			
Average staffing level (number)	616	624			

(a) The APVMA and RIC are corporate Commonwealth entities (CCE) under the PGPA Act and do not receive direct appropriations. Instead, this funding passes through the department to these entities.

(b) 'Expenses not requiring appropriation in the Budget year' are made up of depreciation and amortisation expenses, resources received free of charge, concessional loan discount and balance sheet adjustments.

(c) Expenses funded from both 'Ordinary annual services (Appropriation Bill (No. 1))' and 'External Revenue' under section 74 of the PGPA Act.

(d) Departmental appropriation allocations are notional and reflect the current structure of the department.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

Continued on following page

Table 2.3.1: Budgeted expenses for Outcome 1 (continued)

Movements of administered funds between years^(e)	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
<u>Movement of Funds:</u>					
Pest Animal and Weeds Management	(790)	790	-	-	-
<u>Reclassifications:</u>					
National Forestry Industries Plan	-	(520)	(460)	-	-
Fisheries Resources Research Fund	-	(1,818)	-	-	-
The Treasury					
<u>Measures:</u>					
(SPP693) Management of Established Pest and Weeds – Prickly Acacia Weed Management Program ^(f)	-	1,000	1,000	1,000	1,000
(SPP793) Grants Assistance to Primary Producers Impacted by the North Queensland Floods ^(f)	300,000	-	-	-	-
Total of administered funds	299,210	(548)	540	1,000	1,000

(e) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

(f) The measure description appears in *Budget Paper No. 2: Budget Measures 2019–20* under Cross Portfolio.

2.3 BUDGETED EXPENSES FOR OUTCOME 2

Outcome 2: Safeguard Australia's animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.

Linked programs

Australian Trade and Investment Commission
Programs: <ul style="list-style-type: none"> Program 1.1: Promotion of Australia's export and other international economic interests Program 1.2: Programs to promote Australia's export and other international economic interests
Contribution to Outcome 2 made by linked program: The Department of Agriculture and Water Resources and Australian Trade and Investment Commission work together to achieve the best outcomes for Australian agricultural, fisheries and forestry exports.
Commonwealth Scientific and Industrial Research Organisation (CSIRO)
Program: <ul style="list-style-type: none"> Program 1.2: National Research Infrastructure – National Facilities and Collections
Contribution to Outcome 2 made by linked program: The Department of Agriculture and Water Resources contributes to the operating costs of the CSIRO's Australian Animal Health Laboratory for emergency animal disease diagnosis and research.
Department of Health
Program: <ul style="list-style-type: none"> Program 5.2: Health Protection and Emergency Response
Contribution to Outcome 2 made by linked program: The Department of Agriculture and Water Resources provides border services for the management of human biosecurity risks on behalf of the Department of Health under the <i>Biosecurity Act 2015</i> and a memorandum of understanding.

Continued on following pages

Linked programs (continued)

Department of Home Affairs
Programs: <ul style="list-style-type: none"> • Program 1.1: Border Enforcement • Program 1.2: Border Management
Contribution to Outcome 2 made by linked programs: <p>The Department of Agriculture and Water Resources and the Australian Border Force work collaboratively to undertake screening and surveillance for all people and goods entering Australia.</p>
Department of the Environment and Energy
Program: <ul style="list-style-type: none"> • Program 1.4 : Conservation of Australia's Heritage and the Environment
Contribution to Outcome 2 made by linked program: <p>The Department of Agriculture and Water Resources and the Department of the Environment and Energy work together through engagement on the management of onshore biosecurity risks.</p>
Department of the Prime Minister and Cabinet
Program: <ul style="list-style-type: none"> • Program 2.1: Indigenous Advancement – Jobs, Land and Economy
Contribution to Outcome 2 made by linked programs: <p>The Department of Agriculture and Water Resources and the Department of the Prime Minister and Cabinet partner with Aboriginal and Torres Strait Islander Ranger groups to deliver biosecurity work that protects Australian agriculture and the northern Australian environment.</p>

Continued on following page

Linked programs (continued)

Department of the Treasury
Program: <ul style="list-style-type: none">• Program 1.9: National Partnership Payments to the States
Contribution to Outcome 2 made by linked program: <p>The Department of the Treasury contributes to Outcome 2 by making payments for the following national partnership agreement on behalf of the Department of Agriculture and Water Resources:</p> <ul style="list-style-type: none">• National Partnership on Pest and Disease Preparedness and Response Programs.
Food Standards Australia New Zealand
Program: <ul style="list-style-type: none">• Program 1.1: Food Regulatory Activity and Services to the Minister and Parliament
Contribution to Outcome 2 made by linked program: <p>Food Standards Australia New Zealand provides advice on whether foods pose a medium to high risk to public health to help the Department of Agriculture and Water Resources to manage the food safety risks associated with imported food for human consumption.</p>

Budgeted expenses for Outcome 2

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.4.1: Budgeted expenses for Outcome 2

Outcome 2: Safeguard Australia's animal and plant health status to maintain overseas markets and protect the economy and environment from the impact of exotic pests and diseases, through risk assessment, inspection and certification, and the implementation of emergency response arrangements for Australian agricultural, food and fibre industries.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 2.1: Biosecurity and Export Services					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Centre of Excellence for Biosecurity Risk Analysis and Research	1,781	1,807	1,838	1,869	1,901
Enhancing Australia's Biosecurity System – Priority Pest and Disease Planning and Response	2,030	3,779	4,044	4,534	4,534
Livestock Exports Global Assurance Program	3,900	1,600	1,400	-	-
Modernising Agricultural Trade – Protecting Australia's Clean, Green Brand	-	1,000	2,000	2,000	2,000
Package Assisting Small Exporters	155	580	2,080	2,080	500
Priorities for Australia's Biosecurity System – Contingency Funding	1,000	1,000	1,000	1,000	1,000
Priorities for Australia's Biosecurity System – Environmental Protection Officer	825	825	825	825	825
Stronger Farmers, Stronger Economy – improvements to access premium markets – improve biosecurity	12,500	900	1,525	1,550	1,550
Total Program expenses	22,191	11,491	14,712	13,858	12,310

Continued on following pages

Table 2.4.1: Budgeted expenses for Outcome 2 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 2.2: Plant and Animal Health					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Animal Biosecurity and Response Reform	898	982	999	1,015	1,033
Commonwealth Membership of Animal Health Australia and Plant Health Australia	2,309	2,086	2,121	2,157	2,194
International Organisations Contribution – World Organisation for Animal Health	328	246	250	254	259
Other Exotic Disease Preparedness Program	651	660	672	683	694
Payment to CSIRO – contribution to the operating costs of the Australian Animal Health Laboratory	11,774	11,900	8,542	8,687	8,834
Plant Biosecurity and Response Reform	1,386	1,381	1,405	1,429	1,454
Smart Fruit Fly Management – Collaborative National Approach	300	2,500	2,500	1,200	-
Smart Fruit Fly Management – Commonwealth to Lead Reform	100	100	-	-	-
Stronger Farmers, Stronger Economy – strengthening research, skills and management of natural resources – immediate assistance fund	1,769	2,021	2,027	3,587	3,648
Administered total	19,515	21,876	18,516	19,012	18,116

Continued on following pages

Table 2.4.1: Budgeted expenses for Outcome 2 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 2.2: Plant and Animal Health					
Administered expenses					
Special appropriations					
Australian Animal Health Council (Live-stock Industries) Funding Act 1996, s. 5 – appropriation	8,240	8,350	8,509	8,713	8,768
Plant Health Australia (Plant Industries) Funding Act 2002, s. 6 – appropriation	4,293	4,495	4,571	4,633	4,674
Plant Health Australia (Plant Industries) Funding Act 2002, s. 10B – payments to PHA from EPPR levies and charges	5,589	2,966	3,035	3,107	3,142
Special Appropriation total	18,122	15,811	16,115	16,453	16,584
Expenses not requiring appropriation in the budget year^(a)					
National Residue Survey Account – s. 80, PGPA Act [s. 6, <i>National Residue Survey Administration Act 1992</i>]	10,972	11,349	11,606	11,877	12,000
Total	10,972	11,349	11,606	11,877	12,000
Total Program expenses	48,609	49,036	46,237	47,342	46,700
Administered expenses					
Administered appropriation	59,828	49,178	49,343	49,323	47,010
Expenses not requiring appropriation in the budget year ^(a)	10,972	11,349	11,606	11,877	12,000
Administered total	70,800	60,527	60,949	61,200	59,010
Departmental expenses					
Departmental appropriation ^{(b),(c),(d)}	264,253	254,414	254,129	253,564	253,143
Expenses not requiring appropriation in the budget year ^(a)	24,551	28,691	29,175	29,175	29,175
Departmental total	288,804	283,105	283,304	282,739	282,318
Special account					
Australian Quarantine and Inspection Service Special Account – s. 78, PGPA Act ^(e)	397,009	399,285	406,025	411,158	415,450
National Residue Survey Account – s. 80, PGPA Act [s. 6(1), <i>National Residue Survey Administration Act 1992</i>]	11,881	11,878	12,056	12,331	12,438
Special Account total	408,890	411,163	418,081	423,489	427,888
Total expenses for Outcome 2	768,494	754,795	762,334	767,428	769,216

Continued on following page

Table 2.4.1: Budgeted expenses for Outcome 2 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Outcome 2 Totals by appropriation type					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))	41,706	33,367	33,228	32,870	30,426
Special appropriations	18,122	15,811	16,115	16,453	16,584
Expenses not requiring appropriation in the budget year ^(a)	10,972	11,349	11,606	11,877	12,000
<u>Departmental expenses</u>					
Departmental appropriation ^{(b),(c),(d)}	264,253	254,414	254,129	253,564	253,143
Special accounts	408,890	411,163	418,081	423,489	427,888
Expenses not requiring appropriation in the budget year ^(a)	24,551	28,691	29,175	29,175	29,175
Total expenses for Outcome 2	768,494	754,795	762,334	767,428	769,216
Average staffing level (number)					
	2018–19 3,886	2019–20 3,687			
Movements of administered funds between years^(f)					
	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
The Treasury					
<u>Measure:</u>					
(SPP188) Pest and Disease Preparedness and Response Programs – Red Imported Fire Ants Eradication Program – Acceleration ^(g)	5,219	6,519	6,520	(3,043)	(3,043)
Total of administered funds	5,219	6,519	6,520	(3,043)	(3,043)

- (a) 'Expenses not requiring appropriation in the Budget year' are made up of depreciation and amortisation expenses, resources received free of charge, concessional loan discount and balance sheet adjustments.
- (b) Expenses funded from both 'Ordinary annual services (Appropriation Bill (No. 1))' and 'External Revenue' under section 74 of the PGPA Act.
- (c) Departmental appropriation allocations are notional and reflect the current structure of the department.
- (d) Additional funding for border services at Hobart Airport and Brisbane International Cruise Terminal is included in the departmental appropriation for Outcome 2.
- (e) The Australian Quarantine Inspection Service ceased to be a business operation in the department from 29 February 2012 but the title of the special account has not yet been changed.
- (f) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.
- (g) The measure description appears in *Budget Paper No. 2: Budget Measures 2019–20* under the Agriculture and Water Resources portfolio.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

2.4 BUDGETED EXPENSES FOR OUTCOME 3

Outcome 3: Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources.

Linked programs

Portfolio Agency: Murray-Darling Basin Authority
Program: <ul style="list-style-type: none"> Program 1.1: Equitable and Sustainable Use of the Murray-Darling Basin
Contribution to Outcome 3 made by linked program: The Department of Agriculture and Water Resources and the Murray-Darling Basin Authority work collaboratively to implement the Murray-Darling Basin Plan and the Intergovernmental Agreement on Murray-Darling Basin Reform.
Bureau of Meteorology
Program: <ul style="list-style-type: none"> Program 1.1: Bureau of Meteorology
Contribution to Outcome 3 made by linked program: The Bureau of Meteorology provides weather, climate and water modelling and information to the Department of Agriculture and Water Resources.
Department of the Environment and Energy
Program: <ul style="list-style-type: none"> Program 1.3: Commonwealth Environmental Water
Contribution to Outcome 3 made by linked programs: The Department of Agriculture and Water Resources and the Department of the Environment and Energy work collaboratively to implement the Murray-Darling Basin Plan and the Commonwealth's water reform policy agenda.

Continued on following page

Linked programs (continued)

Department of the Treasury
Program: <ul style="list-style-type: none">• Program 1.9: National Partnership Payments to the States
Contribution to Outcome 3 made by linked program: <p>The Department of the Treasury contributes to Outcome 3 by making payments for the following national partnership agreements on behalf of the Department of Agriculture and Water Resources:</p> <ul style="list-style-type: none">• National Partnership for On-Farm Emergency Water Infrastructure Rebate;• National Partnership on Implementing Water Reform in the Murray-Darling Basin;• National Partnership on the Development of Business Cases for Constraints Measures and Potential Implementation;• National Partnership on the Great Artesian Basin Sustainability Initiative;• National Partnership on the South Australian River Murray Sustainability Program – Irrigation Efficiency and Water Purchase Components; and• Sustainable Rural Water Use and Infrastructure Program.

Budgeted expenses for Outcome 3

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.5.1: Budgeted expenses for Outcome 3

Outcome 3: Improve the health of rivers and freshwater ecosystems and water use efficiency through implementing water reforms, and ensuring enhanced sustainability, efficiency and productivity in the management and use of water resources.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 3.1: Water Reform					
Administered expenses					
<u>Ordinary annual services (Appropriation Bill (No. 1))</u>					
Commonwealth Contribution under the Murray-Darling Basin Agreement	12,741	12,729	13,940	14,792	14,446
Sustainable Rural Water Use and Infrastructure Program	263,844	156,067	240,975	308,059	350,000
Administered total	276,585	168,796	254,915	322,851	364,446
<u>Payments to corporate entities (Draw-down)^(a)</u>					
Murray-Darling Basin Authority	94,200	75,628	45,558	39,486	37,933
Payments to corporate entities total	94,200	75,628	45,558	39,486	37,933

Continued on following pages

Table 2.5.1: Budgeted expenses for Outcome 3 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 3.1: Water Reform					
<u>Special accounts</u>					
Water Efficiency Labelling Scheme Account	1,946	1,962	2,038	2,038	2,038
Water for the Environment Special Account	110,000	320,000	340,000	340,452	413,141
Water Resources Special Account	975	510	510	510	510
<i>Special account total</i>	112,921	322,472	342,548	343,000	415,689
Expenses not requiring appropriation in the budget year^(b)	795,700	8,759	7,759	7,759	7,759
Total Program expenses	1,279,406	575,655	650,780	713,096	825,827
<u>Administered expenses</u>					
Administered appropriation	483,706	566,896	643,021	705,337	818,068
Expenses not requiring appropriation in the budget year ^(b)	795,700	8,759	7,759	7,759	7,759
<i>Administered total</i>	1,279,406	575,655	650,780	713,096	825,827
<u>Departmental expenses</u>					
Departmental appropriation ^{(c),(d)}	25,757	28,082	23,455	19,292	16,850
Expenses not requiring appropriation in the budget year ^(b)	916	916	916	916	916
<i>Departmental total</i>	26,673	28,998	24,371	20,208	17,766
Total expenses for Outcome 3	1,306,079	604,653	675,151	733,304	843,593

Continued on following pages

Table 2.5.1: Budgeted expenses for Outcome 3 (continued)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Outcome 3 Totals by appropriation type					
<u>Administered expenses</u>					
Ordinary annual services (Appropriation Bill (No. 1))	276,585	168,796	254,915	322,851	364,446
Special accounts	112,921	322,472	342,548	343,000	415,689
Payments to corporate entities (Draw-down)	94,200	75,628	45,558	39,486	37,933
Expenses not requiring appropriation in the budget year ^(b)	795,700	8,759	7,759	7,759	7,759
<u>Departmental expenses</u>					
Departmental appropriation ^{(c),(d)}	25,757	28,082	23,455	19,292	16,850
Expenses not requiring appropriation in the budget year ^(b)	916	916	916	916	916
Total expenses for Outcome 3	1,306,079	604,653	675,151	733,304	843,593
	2018–19	2019–20			
Average staffing level (number)	155	129			

(a) The MDBA is a CCE under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the department to the MDBA.

(b) 'Expenses not requiring appropriation in the Budget year' are made up of depreciation and amortisation expenses, resources received free of charge, concessional loan discount and balance sheet adjustments.

(c) Departmental appropriation allocations are notional and reflect the current structure of the department.

(d) Expenses funded from both 'Ordinary annual services (Appropriation Bill (No. 1))' and 'External Revenue' under section 74 of the PGPA Act.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

Continued on following page

Table 2.5.1: Budgeted expenses for Outcome 3 (continued)

Movements of administered funds between years^(e)	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
<u>Movement of Funds:</u>					
Sustainable Rural Water Use and Infrastructure Program (SRWUIP)	(13,976)	7,279	4,762	1,935	-
<u>Reclassification:</u>					
SRWUIP	-	(5,813)	(3,787)	(1,876)	-
The Treasury					
<u>Movement of Funds:</u>					
(SPP533) SRWUIP	(21,306)		21,306	-	-
<u>Reclassification:</u>					
(SPP533) SRWUIP	-	-	28,500	-	-
Total of administered funds	(35,282)	1,466	50,781	59	-

(e) Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for 2019–20, including the impact of 2019–20 Budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

The financial statements incorporate all budget estimate changes since the 2018–19 Portfolio Additional Estimates Statements (PAES). An analysis of the primary causes of movements in the budgeted departmental financial statements and administered schedules is provided in the relevant sections.

3.1.2 Budgeted comprehensive departmental income statement

Since PAES, estimated revenue from government in 2019–20 has increased by \$15.9 million. The increase is due to 2019–20 Budget measures detailed in Table 1.2 and the reclassification of \$9.1 million in 2019–20 from administered to departmental. These increases have been partly offset by reductions due to the transfer of \$0.5 million in 2019–20 to the Australian Commission for Law Enforcement Integrity and adjustments totalling \$0.4 million in 2019–20 to reflect updated economic parameters.

Estimated own source revenue in 2019–20 has increased by \$8.6 million since PAES due to higher than anticipated revenue from the department's cost recovery activities. There has also been an increase in estimated 2019–20 expenses since PAES, reflecting 2019–20 Budget measures, approved reclassifications and increased cost recovery activities.

The department is budgeting for a balanced budget position in 2019–20 before unfunded depreciation.

3.1.3 Budgeted departmental balance sheet

The value of departmental net assets as at 30 June 2020 is anticipated to be \$1.2 million higher than the estimate published in PAES. The increase is due to 2019–20 Budget measures detailed in Table 1.2.

Schedule of budgeted income and expenses administered on behalf of the Government

It is estimated that the department will receive non-appropriation revenue on behalf of government of \$713.1 million in 2019–20, a decrease of \$50.5 million since PAES. This is due to lower estimated levy revenue and 2019–20 Budget measures detailed in Table 1.2, including the estimated \$20.0 million reduction in revenue from the Biosecurity Imports Levy in 2019–20, due to a delay in the commencement date from 1 July 2019 to 1 September 2019.

Administered expenses are estimated to be \$1,789.6 million in 2019–20, an increase of \$67.3 million since PAES. The increase largely relates to 2019–20 Budget measures in Table 1.2 and movements of funds totalling \$10.0 million for the Sustainable Rural Water Use and Infrastructure and Pest Animal and Weeds Management programs. These increases have been partly offset by reductions related to the reclassification of \$9.1 million in 2019–20 from administered to departmental.

Schedule of budgeted assets and liabilities administered on behalf of the Government

The value of administered net assets as at 30 June 2020 is anticipated to be \$40.9 million lower than the estimate published in PAES. The decrease is mainly due to 2019–20 Budget measures in Table 1.2. There was also a reduction due to higher than estimated grants payable of \$5.2 million in 2019–20.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1 Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	535,026	511,695	512,141	511,885	511,893
Supplier	282,653	313,902	313,296	312,881	311,947
Grants	2,044	2,044	2,044	2,044	2,044
Depreciation and amortisation	29,905	29,905	29,905	29,905	29,904
Finance costs	77	77	77	77	77
Write-down and impairment of assets	919	919	919	919	919
Total expenses	850,624	858,542	858,382	857,711	856,784
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	402,342	405,932	412,827	417,181	421,393
Interest	423	382	382	382	382
Other revenue	38,191	37,524	38,745	38,511	38,585
Total own-source revenue	440,956	443,838	451,954	456,074	460,360
Gains					
Other	1,618	1,618	1,618	1,618	1,618
Total gains	1,618	1,618	1,618	1,618	1,618
Total own-source income	442,574	445,456	453,572	457,692	461,978
Net cost of (contribution by) services	408,050	413,086	404,810	400,019	394,806
Revenue from Government	391,812	396,848	388,572	383,781	378,568
Surplus (Deficit) attributable to the Australian Government	(16,238)	(16,238)	(16,238)	(16,238)	(16,238)
Total other comprehensive income	(16,238)	(16,238)	(16,238)	(16,238)	(16,238)
Total comprehensive income (loss) attributable to the Australian Government	(16,238)	(16,238)	(16,238)	(16,238)	(16,238)
Note: Impact of Net Cash Appropriation Arrangements					
	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive income (loss) excluding depreciation/ amortisation expenses previously funded through revenue appropriation	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	(16,238)	(16,238)	(16,238)	(16,238)	(16,238)
Total comprehensive income (loss) – as per the statement of comprehensive income	(16,238)	(16,238)	(16,238)	(16,238)	(16,238)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill (No. 1) revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill (No. 1) equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	28,062	24,819	20,804	17,561	24,918
Trade and other receivables	83,065	79,905	80,280	80,696	68,581
Other investments	16,500	16,000	15,500	15,000	14,500
Other financial assets	4,841	4,841	4,841	4,841	4,841
Total financial assets	132,468	125,565	121,425	118,098	112,840
Non-financial assets					
Land and buildings	40,172	34,243	28,314	22,385	16,457
Property, plant and equipment	26,819	23,191	20,195	14,142	8,019
Intangibles	125,801	139,343	150,963	162,261	173,627
Inventories	2,275	2,275	2,275	2,275	2,275
Other non-financial assets	8,822	8,822	8,822	8,822	8,822
Total non-financial assets	203,889	207,874	210,569	209,885	209,200
Total assets	336,357	333,439	331,994	327,983	322,040
LIABILITIES					
Payables					
Suppliers	16,862	16,862	16,862	16,862	16,862
Other payables	42,569	46,339	48,269	50,205	50,205
Total payables	59,431	63,201	65,131	67,067	67,067
Provisions					
Employee provisions	144,363	138,947	138,906	138,900	138,900
Other provisions	13,459	13,459	13,459	13,459	13,459
Total provisions	157,822	152,406	152,365	152,359	152,359
Total liabilities	217,253	215,607	217,496	219,426	219,426
Net assets	119,104	117,832	114,498	108,557	102,614
EQUITY^(a)					
Parent entity interest					
Contributed equity	166,447	181,413	194,317	204,614	214,909
Reserves	79,987	79,987	79,987	79,987	79,987
Retained surplus (accumulated deficit)	(127,330)	(143,568)	(159,806)	(176,044)	(192,282)
Total parent entity interest	119,104	117,832	114,498	108,557	102,614
Total equity	119,104	117,832	114,498	108,557	102,614

(a) Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019					
Balance carried forward from previous period	(127,330)	25,665	54,322	166,447	119,104
Adjusted opening balance	(127,330)	25,665	54,322	166,447	119,104
Comprehensive income					
Surplus (deficit) for the period	(16,238)	-	-	-	(16,238)
Total comprehensive income	(16,238)	-	-	-	(16,238)
of which:					
Attributable to the Australian Government	(16,238)	-	-	-	(16,238)
Transactions with owners					
Contributions by owners					
Equity Injection – Appropriation	-	-	-	5,123	5,123
Departmental Capital Budget (DCB)	-	-	-	9,843	9,843
Sub-total transactions with owners	-	-	-	14,966	14,966
Estimated closing balance as at 30 June 2020	(143,568)	25,665	54,322	181,413	117,832
Closing balance attributable to the Australian Government	(143,568)	25,665	54,322	181,413	117,832

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	383,965	400,440	388,428	383,796	390,683
Sale of goods and rendering of services	402,894	404,382	411,631	415,959	420,474
Interest	423	382	382	382	382
Net GST received	25,810	27,180	26,906	26,962	26,416
Other	23,327	19,851	21,072	20,838	20,912
Total cash received	836,419	852,235	848,419	847,937	858,867
Cash used					
Employees	541,236	513,341	510,252	509,955	511,893
Suppliers	262,230	294,688	294,082	293,667	292,733
Grants	2,044	2,044	2,044	2,044	2,044
GST payments to suppliers	25,688	26,981	26,860	27,090	26,416
Other	(4,572)	-	-	-	-
Total cash used	826,626	837,054	833,238	832,756	833,086
Net cash from (used by) operating activities	9,793	15,181	15,181	15,181	25,781
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of financial instruments	16,500	16,500	16,000	15,500	15,000
Total cash received	16,500	16,500	16,000	15,500	15,000
Cash used					
Purchase of property, plant and equipment	45,016	33,890	32,600	29,221	29,219
Purchase of financial instruments	16,500	16,000	15,500	15,000	14,500
Total cash used	61,516	49,890	48,100	44,221	43,719
Net cash from (used by) investing activities	(45,016)	(33,390)	(32,100)	(28,721)	(28,719)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	31,216	14,966	12,904	10,297	10,295
Total cash received	31,216	14,966	12,904	10,297	10,295
Net cash from (used by) financing activities	31,216	14,966	12,904	10,297	10,295
Net increase (decrease) in cash held	(4,007)	(3,243)	(4,015)	(3,243)	7,357
Cash and cash equivalents at the beginning of the reporting period	32,069	28,062	24,819	20,804	17,561
Cash and cash equivalents at the end of the reporting period	28,062	24,819	20,804	17,561	24,918

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget – Bill (No. 1) (DCB)	9,824	9,843	9,909	9,977	10,045
Equity injections – Bill (No. 2)	4,517	5,123	2,995	320	250
Total new capital appropriations	14,341	14,966	12,904	10,297	10,295
Provided for:					
Purchase of non-financial assets	14,341	14,966	12,904	10,297	10,295
Total items	14,341	14,966	12,904	10,297	10,295
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	16,841	5,123	2,995	320	250
Funded by capital appropriation – DCB ^(a)	9,824	9,843	9,909	9,977	10,045
Funded internally from departmental resources ^(b)	18,351	18,924	19,696	18,924	18,924
TOTAL	45,016	33,890	32,600	29,221	29,219
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	45,016	33,890	32,600	29,221	29,219
Total cash used to acquire assets	45,016	33,890	32,600	29,221	29,219

(a) Does not include annual finance lease costs. Includes purchases from current and previous years' Departmental Capital Budgets (DCBs).

(b) Includes the following sources of funding:

- current Bill (No. 1) and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- internally developed assets;
- section 74 External revenue; and
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019					
Gross book value	2,205	58,281	45,982	206,904	313,372
Accumulated depreciation/amortisation	-	(20,314)	(19,163)	(81,103)	(120,580)
Opening net book balance	2,205	37,967	26,819	125,801	192,792
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase – appropriation equity ^(a)	-	-	2,745	2,378	5,123
By purchase – appropriation ordinary annual services ^(b)	-	1,000	500	8,343	9,843
By purchase – other	-	2,366	2,366	14,192	18,924
Total additions	-	3,366	5,611	24,913	33,890
Other movements					
Depreciation/amortisation expense	-	(9,295)	(9,239)	(11,371)	(29,905)
Total other movements	-	(9,295)	(9,239)	(11,371)	(29,905)
As at 30 June 2020					
Gross book value	2,205	61,647	51,593	231,817	347,262
Accumulated depreciation/amortisation and impairment	-	(29,609)	(28,402)	(92,474)	(150,485)
Closing net book balance	2,205	32,038	23,191	139,343	196,777

(a) "Appropriation equity" refers to equity injections, appropriations provided through Appropriation Bill (No. 2) 2019–20.

(b) "Appropriation ordinary annual services" refers to funding provided through Appropriation Bill (No. 1) 2019–20 for depreciation / amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	45,671	40,341	42,432	42,834	39,173
Personal benefits	163,418	59,712	63,477	63,700	41,169
Grants	1,398,881	1,415,084	1,595,125	1,683,808	1,796,078
Depreciation	7,759	7,759	7,759	7,759	7,759
Assets Transferred to Related Entities	887,941	155,000	154,000	154,000	154,000
Borrowing costs and other	54,853	111,729	111,729	54,853	-
Total expenses administered on behalf of Government	2,558,523	1,789,625	1,974,522	2,006,954	2,038,179
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Taxation revenue					
Other taxes	541,595	645,750	684,572	706,115	714,949
Total taxation revenue	541,595	645,750	684,572	706,115	714,949
Non-taxation revenue					
Interest	35,799	48,210	60,095	83,108	97,634
Other revenue	19,016	19,120	14,241	14,241	11,384
Total non-taxation revenue	54,815	67,330	74,336	97,349	109,018
Other Gains	380,884	-	-	-	-
Total Gains	380,884	-	-	-	-
Total own-source revenues administered on behalf of Government	977,294	713,080	758,908	803,464	823,967
Net cost of (contribution by) services	1,581,229	1,076,545	1,215,614	1,203,490	1,214,212
Surplus (Deficit) after income tax	(1,581,229)	(1,076,545)	(1,215,614)	(1,203,490)	(1,214,212)
Total comprehensive income (loss) attributable to the Australian Government	(1,581,229)	(1,076,545)	(1,215,614)	(1,203,490)	(1,214,212)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	796,643	826,643	801,643	566,191	213,050
Trade and other receivables	1,164,694	1,476,809	1,803,269	2,232,014	2,251,537
Investments accounted for using the equity method	391,567	390,444	392,818	393,982	393,982
Other financial assets	70,240	70,930	71,646	71,646	71,646
Total financial assets	2,423,144	2,764,826	3,069,376	3,263,833	2,930,215
Non-financial assets					
Land and buildings	1,467	1,467	1,467	1,467	1,467
Property, plant and equipment	518,497	510,738	502,979	495,220	487,461
Intangibles	127,335	127,335	127,335	127,335	127,335
Other non-financial assets	10,528	8,261	6,653	5,172	3,975
Total non-financial assets	657,827	647,801	638,434	629,194	620,238
Total assets administered on behalf of Government	3,080,971	3,412,627	3,707,810	3,893,027	3,550,453
LIABILITIES					
Payables					
Suppliers	298	298	298	298	298
Personal benefits	654	654	654	654	654
Grants	95,419	111,860	106,948	114,406	115,192
Other	72	72	72	72	72
Total payables	96,443	112,884	107,972	115,430	116,216
Total liabilities administered on behalf of Government	96,443	112,884	107,972	115,430	116,216
Net assets/(liabilities)	2,984,528	3,299,743	3,599,838	3,777,597	3,434,237

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Taxes	540,668	615,060	683,856	701,115	714,949
Net GST received	99,834	101,770	111,994	120,421	131,194
Other	11,434	11,538	6,659	6,659	3,802
Total cash received	651,936	728,368	802,509	828,195	849,945
Cash used					
Grants	1,509,814	1,500,413	1,712,031	1,796,771	1,926,486
Personal benefits	163,418	59,712	63,477	63,700	41,169
Suppliers	34,828	32,368	35,118	35,647	32,270
Total cash used	1,708,060	1,592,493	1,810,626	1,896,118	1,999,925
Net cash from (used by) operating activities	(1,056,124)	(864,125)	(1,008,117)	(1,067,923)	(1,149,980)
INVESTING ACTIVITIES					
Cash received					
Interest received from advances and loans	32,451	32,295	26,069	43,246	59,851
Repayments of advances and loans	145,141	123,947	97,713	63,140	20,136
Total cash received	177,592	156,242	123,782	106,386	79,987
Cash used					
Advances and loans made	507,000	500,000	500,000	500,000	-
Purchase of entitlements	507,057	155,000	154,000	154,000	154,000
Corporate entity investments	-	7,425	1,922	1,164	-
Total cash used	1,014,057	662,425	655,922	655,164	154,000
Net cash from (used by) investing activities	(836,465)	(506,183)	(532,140)	(548,778)	(74,013)
Net increase (decrease) in cash held	(1,892,589)	(1,370,308)	(1,540,257)	(1,616,701)	(1,223,993)
Cash and cash equivalents at beginning of reporting period	589,698	796,643	826,643	801,643	566,191
Cash from Official Public Account for:					
– Appropriations	2,720,365	1,861,891	1,988,171	1,852,858	1,256,901
– Special Accounts	110,331	322,472	342,548	343,000	413,141
Total cash from Official Public Account	2,830,696	2,184,363	2,330,719	2,195,858	1,670,042
Cash to Official Public Account for:					
– Appropriations	(731,162)	(784,055)	(815,462)	(814,609)	(799,190)
Total cash to Official Public Account	(731,162)	(784,055)	(815,462)	(814,609)	(799,190)
Cash and cash equivalents at end of reporting period	796,643	826,643	801,643	566,191	213,050

Prepared on Australian Accounting Standards basis.

Table 3.10: Administered capital budget statement (for period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Administered Assets and Liabilities – Bill (No. 2)	695,478	500,000	500,000	500,000	-
Total new capital appropriations	695,478	500,000	500,000	500,000	-
Provided for:					
Purchase of non-financial assets	445,478	-	-	-	-
Other Items	250,000	500,000	500,000	500,000	-
Total Items	695,478	500,000	500,000	500,000	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	407,057	1,000	-	-	-
Funded internally from departmental resources ^(b)	100,000	154,000	154,000	154,000	154,000
TOTAL	507,057	155,000	154,000	154,000	154,000
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total accrual purchases	507,057	155,000	154,000	154,000	154,000
Total cash used to acquire assets	507,057	155,000	154,000	154,000	154,000

(a) Includes both current Appropriation Bill (No. 2) and prior Act 2/4/6 appropriations.

(b) Includes funding credited to the Water for Environment Special Account.

Prepared on Australian Accounting Standards basis.

Table 3.11: Statement of administered asset movements (Budget year 2019–20)

	Land \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	1,467	864,372	140,042	1,005,881
Accumulated depreciation/amortisation	-	(345,875)	(12,707)	(358,582)
Opening net book balance	1,467	518,497	127,335	647,299
CAPITAL ASSET ADDITIONS				
replacement assets				
By purchase – Other ^(a)	-	-	155,000	155,000
Assets transferred	-	-	(155,000)	(155,000)
Total additions	-	-	-	-
Other movements				
Depreciation/amortisation expense	-	(7,759)	-	(7,759)
Total other movements	-	(7,759)	-	(7,759)
As at 30 June 2020				
Gross book value	1,467	864,372	140,042	1,005,881
Accumulated depreciation/amortisation and impairment	-	(353,634)	(12,707)	(366,341)
Closing net book balance	1,467	510,738	127,335	639,540

(a) 'Other' refers to funding credited to the Water for the Environment Special Account.

Prepared on Australian Accounting Standards basis.

AGRIFUTURES AUSTRALIA

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AGRIFUTURES AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

AgriFutures Australia (AgriFutures) is the trading name for Rural Industries Research and Development Corporation (RIRDC). AgriFutures plays a unique role in Australian agriculture by investing in research and development (R&D) to maintain and create profitable and sustainable rural industries. AgriFutures knows that the key to developing real and lasting solutions for rural industries is to take a shared approach to shared challenges. That is why AgriFutures works in collaboration with a range of stakeholders to develop and implement its initiatives.

AgriFutures' vision is to grow the long-term prosperity of Australian rural industries. AgriFutures' mission is to collaborate with its partners to create lasting value for its stakeholders, investing in research, innovation and learning initiatives that enhance the prosperity, profitability and sustainability of the agricultural, fisheries and forestry sectors. AgriFutures' approach is guided by an ambition to be an organisation that places people, rural industries and regional communities at the centre of all its activities.

AgriFutures supports rural industries that do not have their own research and development corporation (RDC) and invests in R&D to accelerate the establishment of new and emerging rural industries.

AgriFutures' cross-sectoral mandate supports it to focus on national opportunities and challenges that affect multiple rural industries, not just the industries it traditionally serves. AgriFutures' future orientation enables it to not only tackle the challenges and opportunities that rural industries face today, but to identify and unearth the challenges and opportunities of tomorrow. AgriFutures will do this by listening and collaborating with the emerging leaders in agriculture, industries bodies, other RDCs and government.

As outlined in AgriFutures Strategic R&D Plan 2017–2022 AgriFutures has four goals across four arenas:

Arena 1: People and leadership

Goal: To support the people driving the future prosperity of Australian rural industries and regional communities by providing them with learning opportunities and experiences.

Priorities:

- Attracting capable people into careers in agriculture; and
- Building the capability of future rural leaders.

Arena 2: National challenges and opportunities

Goal: To identify and nurture research and innovation opportunities that are productive across rural sectors.

Priorities:

- Informing debate on issues of importance to rural industries;
- Adapting new technologies for use across rural industries; and
- Working collaboratively on issues common across rural sectors.

Arena 3: Growing profitability

Goal: To enhance the profitability and sustainability of our levied rural industries.

Priorities:

- Engaging industry participants in determining R&D priorities;
- Investing in innovation that assists levied industries to be more profitable; and
- Delivering outcomes to maximise industry uptake and adoption.

Arena 4: Emerging industries

Goal: To support new and emerging rural industries.

Priorities:

- Supporting the early stage establishment of high potential rural industries.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: AgriFutures Australia – Resource Statement – Budget Estimates for 2019–20 as at April 2019

	2018–19 Estimated actual \$'000	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	21,543	18,952
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department ^(a)	10,479	10,220
Total amounts received from related entities	10,479	10,220
Special appropriations^(b)		
Primary Industries Research and Development Act 1989, s. 30(3) – Rural Industries R&D Corporation	10,511	19,517
Total special appropriations	10,511	19,517
Total funds from Government	20,990	29,737
Funds from industry sources		
Levies ^(c)	5,270	3,435
less amounts paid to the CRF	(5,270)	(3,435)
Total funds from industry sources	-	-
Funds from other sources		
Interest	546	563
Royalties	328	338
Industry contributions	3,907	4,733
Other	(760)	3,999
Total funds from other sources	4,021	9,633
Total net resourcing for AgriFutures	46,554	58,322
	2018–19	2019–20
Average staffing level (number)	18	20

(a) Appropriation Bill (No. 1) 2019–20.

(b) AgriFutures Australia (AgriFutures) is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to AgriFutures and are considered departmental for all purposes.

(c) The levies are imposed by the *Primary Industries (Excise) Levies Act 1999*. The levies are collected by Department of Agriculture and Water Resources under the *Primary Industries Levies and Charges Collection Act 1991* and are transferred to the CRF. An equivalent amount is paid by Department of Agriculture and Water Resources to AgriFutures as a special appropriation under the *Primary Industries Research and Development Act 1989* (PIRD Act).

CRF – Consolidated Revenue Fund.

Prepared on a resourcing (i.e. appropriations available) basis. Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the AgriFutures Australia are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: AgriFutures Australia 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

AgriFutures does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

AgriFutures does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements — included in annual reports — to provide an entity's complete performance story.

The most recent corporate plan and annual performance statement for the AgriFutures Australia can be found at:

<http://www.agrifutures.com.au/about/corporate-documents/>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Increased knowledge that fosters sustainable, productive and profitable new and existing rural industries and furthers understanding of national rural issues through research and development in government-industry partnership.

Linked programs

Department of Agriculture and Water Resources
Program: <ul style="list-style-type: none">• Program 1.10: Agricultural Resources
Contribution to Outcome 1 made by linked program: <p>AgriFutures works together with the Department of Agriculture and Water Resources to ensure sustainable, productive and profitable rural industries.</p>

2.1.1 Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1 Budgeted expenses for Outcome 1

Outcome 1: Increased knowledge that fosters sustainable, productive and profitable new and existing rural industries and furthers understanding of national rural issues through research and development in government-industry partnership.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Rural Industries Research and Development Corporation					
Revenue from Government					
Payment from related entities	10,479	10,220	9,376	9,535	9,697
Special appropriations					
<i>Primary Industries Research and Development Act 1989, s. 30(3) –</i>					
Rural Industries R&D Corporation	10,511	19,517	19,994	22,584	22,646
Revenues from industry sources	3,907	4,733	4,733	4,733	4,733
Revenues from other independent sources	2,057	3,204	4,197	4,197	4,197
Reserves	2,418	699	-	-	-
Total expenses for program 1.1	29,372	38,373	38,300	41,049	41,273

Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	10,479	10,220	9,376	9,535	9,697
Special appropriations	10,511	19,517	19,994	22,584	22,646
Revenues from industry sources	3,907	4,733	4,733	4,733	4,733
Revenues from other independent sources	2,057	3,204	4,197	4,197	4,197
Reserves	2,418	699	-	-	-
Total expenses for Outcome 1	29,372	38,373	38,300	41,049	41,273

	2018–19	2019–20
Average staffing level (number)	18	20

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

As an entity established under the PIRD Act, AgriFutures does not produce a Corporate Plan under the PGPA Act and is therefore exempt from the requirement to map purposes to outcomes.

Outcome 1: Increased knowledge that fosters sustainable, productive and profitable new and existing rural industries and furthers understanding of national rural issues through research and development in government-industry partnership.	
Program 1.1: Rural Industries Research and Development Corporation	
Objective	Through research and development create thriving rural industries and vibrant regional communities.
Delivery	<p>AgriFutures supports the people driving the future prosperity of Australian rural industries by:</p> <ul style="list-style-type: none"> • Attracting capable people into careers in agriculture through: <ul style="list-style-type: none"> ○ Introducing agricultural careers pathways in schools; and ○ Collaboration with other RDCs, government, the private sector and not-for-profit organisations to highlight to young people the opportunities a career in agriculture has to offer. • Building the capacity of future rural leaders through development programs like Rural Women's Award, Horizon Scholarship and the Ignite Network.
	<p>AgriFutures identifies and nurtures research and innovation opportunities that are productive across rural sectors by:</p> <ul style="list-style-type: none"> • Prioritising and driving cross-sectoral R&D that considers the needs of a diverse portfolio of plant and animal industries. • Brokering partnerships, facilitating priority setting and providing advice to strengthen the national agricultural research and innovation effort. • Complementing industry R&D by investing in research of cross-sectoral value, in areas such as climate change, natural resource management, and safety and welfare. • Informing debate on issues of importance to rural industries. • Adapting new technologies for use across rural industries.

Continued on following pages

Contributions to Outcome 1 (continued)

Program 1.1: Rural Industries Research and Development Corporation	
Delivery (continued)	<p>AgriFutures enhances the profitability and sustainability of our levied rural industries by:</p> <ul style="list-style-type: none"> • Engaging industry participants in determining R&D priorities through industry R&D planning and participation in industry panels to allocate levied funds to projects. • Investing in innovation that assists levied industries to be more profitable and that demonstrates value to industry participants. • Delivering outcomes to maximise industry uptake and adoption. • Communicating research outcomes to farmers at events like field days and workshops and through channels including e-newsletters, emails, social media and hardcopy publications.
	<p>AgriFutures supports viable and sustainable new and emerging rural industries by:</p> <ul style="list-style-type: none"> • Identifying and targeting high-potential emerging rural industries by supporting rigorous feasibility assessments and identifying critical impediments that can be addressed through R&D. • Building partnerships with key stakeholders, including the private sector, to support the development of high-potential emerging rural industries.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	Targets
2018–19	Contribute to the increase of annual intakes of students into agriculture and agricultural science courses at universities.	1,600 per annum. Information from the Australian Council of Deans of Agriculture annual survey show an increasing number of enrolments.
	Percentage of participants who feel their confidence as a leader has increased significantly or very significantly as a result of participation in an AgriFutures Australia sponsored activity.	70 per cent of surveyed participants.
	Impact of AgriFutures Australia sponsored studies on debates of national significance to rural industries.	Five National Rural Issues studies published each year.
	New technologies adapted for use in Australian rural industries.	One new technology entering commercialisation phase with private sector participation each year.
	Evidence of collaboration between RDCs in cross sector investment initiatives.	Ten collaborative initiatives involving other RDCs each year.
	Percentage of growers comfortable or very comfortable paying the R&D levy.	70 per cent of surveyed participants.
	Degree to which the objectives of the industry-based R&D plans are being achieved.	85 per cent of KPIs met in each Industry Program R&D Plan.
	Stakeholders rate the value of AgriFutures Australia's information products and services as high or very high.	70 per cent of surveyed participants.
	Number of new rural industries reaching or exceeding \$10 million per annum threshold.	Five by 2022.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2019–20	As per 2018–19.	As per 2018–19.
2020–21 and beyond	As per 2018–19.	As per 2018–19.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The financial statements are prepared on an accrual basis where revenues and expenses are recognised as and when the resources are received and used. The entity resourcing table recognises the cash resources available to be used during the period and includes amounts recognised as revenue in previous periods.

3.1.2 Explanatory notes and analysis of budgeted financial statements

AgriFutures is budgeting for a deficit of \$0.7 million in 2019–20.

AgriFutures' balance sheet remains strong with estimated total assets of \$21.3 million in 2019–20 and in forward years. Of the total assets, approximately \$19.3 million is represented by cash and investments.

Total liabilities of \$1.4 million are mostly represented by payables to R&D providers and suppliers of \$1.0 million and employee entitlements of \$0.4 million over the same period.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1 Comprehensive income statement (showing net cost of services) (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	3,568	3,409	3,409	3,409	3,409
Supplier expenses	3,549	7,363	7,363	7,363	7,363
Grants	22,095	27,416	27,343	30,092	30,316
Depreciation and amortisation	160	185	185	185	185
Total expenses	29,372	38,373	38,300	41,049	41,273
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Industry contributions	3,907	4,733	4,733	4,733	4,733
Interest	546	600	600	600	600
Royalties	328	338	338	338	338
Other	1,183	2,266	3,259	3,259	3,259
Total own-source revenue	5,964	7,937	8,930	8,930	8,930
Total own-source income	5,964	7,937	8,930	8,930	8,930
Net cost of (contribution by) services	23,408	30,436	29,370	32,119	32,343
Revenue from Government ^(a)					
Commonwealth contribution	20,990	29,737	29,370	32,119	32,343
Total revenue from Government	20,990	29,737	29,370	32,119	32,343
Surplus/(deficit) attributable to the Australian Government	(2,418)	(699)	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(2,418)	(699)	-	-	-

(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture and Water Resources for R&D activities.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	1,952	2,307	2,420	2,533	2,646
Trade and other receivables	3,116	1,270	1,270	1,270	1,270
Investments – Deposits	17,000	17,000	17,000	17,000	17,000
Total financial assets	22,068	20,577	20,690	20,803	20,916
Non-financial assets					
Property, plant and equipment	85	100	140	180	220
Intangibles	36	511	386	261	136
Other	88	150	150	150	150
Total non-financial assets	209	761	676	591	506
Total assets	22,277	21,338	21,366	21,394	21,422
LIABILITIES					
Payables					
Suppliers	216	388	388	388	388
Grants	932	600	600	600	600
Other	150	-	-	-	-
Total payables	1,298	988	988	988	988
Provisions					
Employee provisions	384	454	482	510	538
Total provisions	384	454	482	510	538
Total liabilities	1,682	1,442	1,470	1,498	1,526
Net assets	20,595	19,896	19,896	19,896	19,896
EQUITY*					
Parent entity interest					
Retained surplus	20,595	19,896	19,896	19,896	19,896
Total Equity	20,595	19,896	19,896	19,896	19,896

*'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity – summary of movement (budget year 2019–20)

	Retained earnings	Total equity
	\$'000	\$'000
Opening balance as at 1 July 2019		
Balance carried forward from previous period	20,595	20,595
Adjusted opening balance	20,595	20,595
Comprehensive income		
Surplus (deficit) for the period	(699)	(699)
Total comprehensive income	(699)	(699)
of which:		
Attributable to the Australian Government	(699)	(699)
Estimated closing balance as at 30 June 2020	19,896	19,896
Closing balance attributable to the Australian Government	19,896	19,896

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Revenue from Government	20,990	29,737	29,370	32,119	32,343
Interest	546	563	600	600	600
Other	3,475	9,070	8,330	8,330	8,330
Total cash received	25,011	39,370	38,300	41,049	41,273
Cash used					
Employees	3,568	3,339	3,381	3,381	3,381
Suppliers	3,698	7,253	7,363	7,363	7,363
Grants	20,264	27,748	27,343	30,092	30,316
Total cash used	27,530	38,340	38,087	40,836	41,060
Net cash from (used by) operating activities	(2,519)	1,030	213	213	213
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	72	675	100	100	100
Total cash used	72	675	100	100	100
Net cash from (used by) investing activities	(72)	(675)	(100)	(100)	(100)
Net increase (decrease) in cash held	(2,591)	355	113	113	113
Cash and cash equivalents at the beginning of the reporting period	4,543	1,952	2,307	2,420	2,533
Cash and cash equivalents at the end of the reporting period	1,952	2,307	2,420	2,533	2,646

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	67	675	100	100	100
TOTAL	67	675	100	100	100
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	72	675	100	100	100
Total cash used to acquire assets	72	675	100	100	100

- (a) Includes the following sources of funding:
- annual and prior year appropriation; and
 - internally developed assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Departmental Statement of Cash Flows.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	292	612	904
Accumulated depreciation/amortisation and impairment	(207)	(576)	(783)
Opening net book balance	85	36	121
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase – Government funding	75	600	675
Total additions	75	600	675
Other movements			
Depreciation/amortisation expense	(60)	(125)	(185)
Total other movements	(60)	(125)	(185)
As at 30 June 2020			
Gross book value	367	1,212	1,579
Accumulated depreciation/amortisation and impairment	(267)	(701)	(968)
Closing net book balance	100	511	611

Prepared on Australian Accounting Standards basis.

**AUSTRALIAN PESTICIDES AND VETERINARY MEDICINES
AUTHORITY**

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AUSTRALIAN PESTICIDES AND VETERINARY MEDICINES AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Pesticides and Veterinary Medicines Authority (APVMA) is established under the *Agricultural and Veterinary Chemicals (Administration) Act 1992* (Administration Act). The APVMA's principal responsibilities are described in the Administration Act and the *Agricultural and Veterinary Chemicals Code Act 1994*.

The APVMA provides regulatory services for the supply of safe and effective agricultural and veterinary (agvet) chemicals in Australia. Robust risk assessment methods are used to scientifically evaluate new and existing pesticides and veterinary medicines. Through its regulatory action and decisions the APVMA ensures the registration of agvet chemical products delivers appropriate protections for human health and safety, animals and the environment, and supports international trade.

The APVMA's regulatory responsibility extends from registration and manufacturing through to the point of sale. The states and territories are then responsible for regulating and monitoring how agvet chemicals are used.

The APVMA uses the best science, systems and processes to register agvet products that advance Australia's agricultural productivity and animal health. Business and operational improvements at the APVMA aim to improve regulatory efficiency for clients and stakeholders while delivering a system that is open and transparent and provides opportunity for public consultation.

Government funding will significantly contribute to the strategies outlined in the APVMA Corporate Plan:

- Transform our business to provide world-class agvet chemical regulation from regional Australia;
- Maintain regulatory science capability to deliver high quality decision making that is timely, science-based and proportionate to the risks being managed; and
- Improve regulatory service delivery and feedback systems to reduce the regulatory burden on industry.

The APVMA is receiving \$25.6 million over six years from 2016–17 to 2021–22 for the relocation of its operations from Canberra, Australian Capital Territory, to Armidale, New South Wales, which includes implementing strategies to address identified risks and opportunities. Relocation activities are being finalised and the APVMA is working to ensure that it continues to provide world-class agvet chemical regulation from regional Australia.

In the 2018–19 Budget, the APVMA received digital transformation funding of \$10.1 million over three years to upgrade and enhance its information technology capability. An enabling technology program will deliver multiple projects to stabilise and modernise the agency's information and communications technology infrastructure environment; implement a single fully-integrated core desktop communication and collaboration suite; and progress the digitisation of business-critical records to coincide with commencement of operations at the new Armidale office in mid-2019.

When the information technology systems are successfully embedded within the Armidale office and Canberra Satellite Office, new desktop capability will be delivered to progressively reduce the regulatory burden for industry. This will be achieved by improving the efficiency of the APVMA's operations through the enhancement of its core business applications.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Australian Pesticides and Veterinary Medicines Authority – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019

	<i>2018–19 Estimated actual \$'000</i>	<i>2019–20 Estimate \$'000</i>
Opening balance/cash reserves at 1 July	2,269	2,122
Funds from Government		
Annual appropriations – ordinary annual services ^(a)		
Outcome 1	24,902	5,695
<i>Total annual appropriations</i>	<i>24,902</i>	<i>5,695</i>
Amounts received from related entities		
Amounts from portfolio department ^(b)	130	133
<i>Total amounts received from related entities</i>	<i>130</i>	<i>133</i>
Total funds from Government	25,032	5,828
Special appropriations^(c)		
<i>Agricultural and Veterinary Chemicals (Administration) Act 1992 – s. 58 (6) amount payable to the APVMA</i>	<i>30,433</i>	<i>30,532</i>
Total special appropriations	30,433	30,532
Total funds from Government	55,465	36,360
Funds from industry sources		
Levies, fees and charges ^(d)	30,433	30,532
<i>less amounts paid to the CRF</i>	<i>(30,433)</i>	<i>(30,532)</i>
<i>Total funds from industry sources</i>	<i>-</i>	<i>-</i>
Funds from other sources		
Interest	15	15
Other	10	10
<i>Total funds from other sources</i>	<i>25</i>	<i>25</i>
Total net resourcing for APVMA	57,759	38,507
	2018–19	2019–20
Average staffing level (number)	195	180

(a) Appropriation Bill (No. 1) 2019–20. Appropriation is provided through the Department of Agriculture and Water Resources and is specified within the Annual Appropriation Bills as a payment to the Australian Pesticides and Veterinary Medicines Authority (APVMA).

(b) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

Continued on following page

Table 1.1: Australian Pesticides and Veterinary Medicines Authority – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019 (continued)

- (c) APVMA's special appropriation is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources which are then paid to APVMA and are considered departmental for all purposes.
- (d) These charges are imposed by the *Agricultural and Veterinary Chemicals Code Act 1994* and the *Agricultural and Veterinary Chemical Products (Collection of Levy) Act 1994*. They are collected by APVMA and transferred to the CRF via the Department of Agriculture and Water Resources. This is then drawn down by the department as a Special Appropriation under the Administration Act.

CRF – Consolidated Revenue Fund

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (i.e. appropriations available) basis.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Australian Pesticides and Veterinary Medicines Authority are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Australian Pesticides and Veterinary Medicines Authority 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

APVMA does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

The APVMA does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements — included in annual reports — to provide an entity's complete performance story.

The most recent corporate plan for the Australian Pesticides and Veterinary Medicines Authority can be found at:

<https://apvma.gov.au/node/32656>.

The most recent annual performance statement for the Australian Pesticides and Veterinary Medicines Authority can be found at:

<https://apvma.gov.au/node/33281> in chapter 3.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines.

Linked programs

Department of Agriculture and Water Resources
Program: <ul style="list-style-type: none">• Program 1.10: Agricultural Resources
Contribution to Outcome 1 made by linked programs: <p>The Australian Pesticides and Veterinary Medicines Authority and the Department of Agriculture and Water Resources work together to ensure the protection of the health and safety of humans, animals and the environment.</p>

2.1.1 Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1 Budgeted expenses for Outcome 1

Outcome 1: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Australian Pesticides and Veterinary Medicines Authority					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1)) ^(a)	24,902	5,695	4,424	1,955	1,688
Payment from related entities	130	133	135	137	139
Special appropriations					
<i>Agricultural and Veterinary Chemicals</i>					
<i>(Administration) Act 1992 – s. 58 (6)</i>					
amount payable to the APVMA	33,608	28,630	29,042	31,000	32,000
Revenues from other independent sources	65	65	65	65	65
Total expenses for program 1.1	58,705	34,523	33,666	33,157	33,892

Outcome 1 totals by resource type

Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1))	24,902	5,695	4,424	1,955	1,688
Payment from related entities	130	133	135	137	139
Special appropriations	33,608	28,630	29,042	31,000	32,000
Revenues from other independent sources	65	65	65	65	65
Total expenses for Outcome 1	58,705	34,523	33,666	33,157	33,892

	2018–19	2019–20
Average staffing level (number)	195	180

(a) The APVMA is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the Department of Agriculture and Water Resources to the APVMA.

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

Outcome 1: Protection of the health and safety of people, animals, the environment, and agricultural and livestock industries through regulation of pesticides and veterinary medicines.		
Program 1.1: Australian Pesticides and Veterinary Medicines Authority		
Objective	The APVMA regulates agricultural and veterinary chemicals up to and including at the point of sale to protect the health and safety of people, animals and crops, the environment and trade and support Australian primary industries.	
Delivery	Regulation of agricultural and veterinary chemicals is delivered through four mechanisms: <ul style="list-style-type: none">• Risk-based assessment and registration of pesticides and veterinary chemicals;• Identification and resolution of non-compliance up to and including the point of retail sale;• Licence and audit veterinary manufacturers; and• Identification and review of the safety of existing chemicals of regulatory concern.	
Performance information		
Year	Performance criteria	Targets
2018–19	Registered chemicals are available for: <ul style="list-style-type: none">a. Product registrations;b. Actives; andc. Permits.	Proportion of applications completed by the due date. Forecast: <ul style="list-style-type: none">a. 70 per centb. 70 per centc. 70 per cent
2019–20	Registered chemicals are available for: <ul style="list-style-type: none">a. Product registrations;b. Actives; andc. Permits.	Proportion of applications completed by the due date. Forecast: <ul style="list-style-type: none">a. 75 per centb. 75 per centc. 75 per cent

Continued on following page

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2020–21 and beyond	As per 2019–20.	As per 2019–20.
Purpose	Regulate the production of agricultural and veterinary chemicals to ensure they are safe for Australian people, animals and the environment.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

Total income for 2019–20 is estimated to be \$34.5 million, a decrease of \$0.9 million compared to the 2018–19 Portfolio Budget Statements (PBS). The decrease in revenue is due to fluctuations in anticipated industry receipts.

Total expenditure for 2019–20 is estimated to be \$34.5 million as the APVMA proceeds with its relocation to Armidale whilst providing its regulatory services for industry.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The APVMA's estimated total asset position of \$16.1 million at 30 June 2020 is higher than budgeted in the 2018–19. Cash reserves are \$2.0 million higher than previously reported, primarily due to timing differences in the payment of creditors.

Total liabilities at 30 June 2020 are estimated to be \$11.7 million, similar to that reported in the 2018–19 PBS.

The APVMA's revenue can vary from year-to-year as a result of fluctuations in agricultural and veterinary chemical sales, so the APVMA aims to maintain equity levels that allow revenue fluctuations to be managed.

The equity target is set at \$7.0 million (approximately three months operating expenses). At 30 June 2020 the APVMA's equity is estimated to be \$4.4 million.

The APVMA has not covered its cost of operations over the previous three financial years, resulting in the erosion of the Equity Reserves. The APVMA has commenced work on a renewed Cost Recovery Implementation Statement to restore its equity target to \$7.0 million.

3.2 BUDGETED FINANCIAL STATEMENTS

**Table 3.1 Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	25,075	23,884	23,694	23,800	23,800
Supplier expenses	29,908	8,949	8,282	7,767	8,502
Depreciation and amortisation	3,722	1,690	1,690	1,590	1,590
Total expenses	58,705	34,523	33,666	33,157	33,892
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	15	15	15	15	15
Other	10	10	10	10	10
Total own-source revenue	25	25	25	25	25
Total own-source income	25	25	25	25	25
Net cost of (contribution by) services	58,680	34,498	33,641	33,132	33,867
Revenue from Government					
Commonwealth contribution	25,072	5,868	4,599	2,132	1,867
Industry contributions	31,576	28,630	29,042	31,000	32,000
Total revenue from Government	56,648	34,498	33,641	33,132	33,867
Surplus/(deficit) attributable to the Australian Government	(2,032)	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	(2,032)	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,122	4,483	4,443	4,492	4,299
Trade and other receivables	8,724	6,822	6,991	7,171	7,700
Total financial assets	10,846	11,305	11,434	11,663	11,999
Non-financial assets					
Land and buildings	300	100	-	-	-
Property, plant and equipment	878	938	948	958	968
Intangibles	3,698	3,448	3,148	2,848	2,548
Other	271	271	271	271	271
Total non-financial assets	5,147	4,757	4,367	4,077	3,787
Total assets	15,993	16,062	15,801	15,740	15,786
LIABILITIES					
Payables					
Suppliers	3,096	3,172	3,452	3,452	3,500
Other	1,723	1,530	1,530	1,530	1,500
Total payables	4,819	4,702	4,982	4,982	5,000
Provisions					
Employee provisions	6,174	6,350	6,372	6,372	6,400
Other	614	624	61	-	-
Total provisions	6,788	6,974	6,433	6,372	6,400
Total liabilities	11,607	11,676	11,415	11,354	11,400
Net assets	4,386	4,386	4,386	4,386	4,386
EQUITY*					
Parent entity interest					
Contributed equity	6,675	6,675	6,675	7,561	7,561
Reserves	886	886	886	-	-
Retained surplus (accumulated deficit)	(3,175)	(3,175)	(3,175)	(3,175)	(3,175)
Total equity	4,386	4,386	4,386	4,386	4,386

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (budget year 2019–20)

	Retained earnings	Asset revaluation reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(3,175)	886	6,675	4,386
Adjusted opening balance	(3,175)	886	6,675	4,386
Estimated closing balance as at 30 June 2020	(3,175)	886	6,675	4,386
Closing balance attributable to the Australian Government	(3,175)	886	6,675	4,386

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Grants received from Portfolio Department	55,472	36,367	33,436	32,912	33,259
Sale of goods and rendering of services	(4)	(4)	(2)	-	39
Net GST received	(3)	(3)	(2)	-	-
Interest receipts	15	15	15	15	15
Other	10	10	10	10	10
Total cash received	55,490	36,385	33,457	32,937	33,323
Cash used					
Employees	24,904	23,708	23,672	23,800	23,772
Suppliers	29,795	8,833	7,962	7,727	8,414
Other	148	193	-	-	30
Total cash used	54,847	32,734	31,634	31,527	32,216
Net cash from (used by) operating activities	643	3,651	1,823	1,410	1,107
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	1,290	1,290	1,863	1,361	1,300
Total cash used	1,290	1,290	1,863	1,361	1,300
Net cash from (used by) investing activities	(1,290)	(1,290)	(1,863)	(1,361)	(1,300)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	500	-	-	-	-
Total cash received	500	-	-	-	-
Net cash from (used by) financing activities	500	-	-	-	-
Net increase (decrease) in cash held	(147)	2,361	(40)	49	(193)
Cash and cash equivalents at the beginning of the reporting period	2,269	2,122	4,483	4,443	4,492
Cash and cash equivalents at the end of the reporting period	2,122	4,483	4,443	4,492	4,299

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	1,300	1,300	1,300	1,300	1,300
TOTAL	1,300	1,300	1,300	1,300	1,300
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	1,300	1,300	1,300	1,300	1,300
Total cash used to acquire assets	1,300	1,300	1,300	1,300	1,300

- (a) Includes the following sources of funding:
- annual and prior year appropriations;
 - internally developed assets;
 - section 74 Retained revenue receipts; and
 - proceeds from the sale of assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Building \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	1,759	1,741	10,645	14,145
Accumulated depreciation/amortisation and impairment	(1,459)	(863)	(6,947)	(9,269)
Opening net book balance	300	878	3,698	4,876
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – other	-	300	1,000	1,300
Total additions	-	300	1,000	1,300
Other movements				
Depreciation/amortisation expense	(200)	(240)	(1,250)	(1,690)
Total other movements	(200)	(240)	(1,250)	(1,690)
As at 30 June 2020				
Gross book value	1,759	2,041	11,645	15,445
Accumulated depreciation/amortisation and impairment	(1,659)	(1,103)	(8,197)	(10,959)
Closing net book balance	100	938	3,448	4,486

Prepared on Australian Accounting Standards basis.

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COTTON

RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Cotton Research and Development Corporation (CRDC) has been delivering outcomes in cotton research, development and extension (RD&E) on behalf of Australia's cotton growers and the Australian Government for over 28 years.

Established in October 1990 and operating under the *Primary Industries Research and Development Act 1989* (PIRD Act), CRDC exists to power the success of Australian cotton through investment in, and delivery of, cotton RD&E. CRDC is based in Narrabri, NSW: the heart of one of Australia's major cotton-growing regions and home to the Australian Cotton Research Institute.

Cotton is a major contributor to the economic, environmental and social fabric of rural Australia. Predominately grown in New South Wales and Queensland, with expansion into Victoria and commercial trials in northern Australia, cotton is a major employer and contributor to the local, state and national economy. The industry generates significant wealth and provides an economic foundation to these regions and their communities, employing some 10,000 people. Cotton is Australia's fifth most valuable agricultural export commodity, generating an average of \$1.9 billion in export revenue annually.

CRDC's role is to invest in RD&E on behalf of cotton growers and the government, with the outcomes boosting the productivity and profitability of industry. RD&E, and its resulting innovations, are a key driving force behind the cotton industry's continued success. CRDC's ultimate aim is to deliver increased economic, social and environmental benefits for the Australian cotton industry, and the wider community, by investing in knowledge, innovation and its adoption.

CRDC's investments are governed by a five-year strategic plan, with 2019–20 being the second year under CRDC's 2018–23 Strategic Plan. The new plan builds on the success of the preceding five-year plan and provides an ambitious roadmap for CRDC's investment.

CRDC's aim through the plan is to contribute to creating \$2 billion in additional gross value of cotton production for the benefit of Australian cotton growers and the wider community.

The plan has five key areas of focus:

- Increasing productivity and profitability on Australian cotton farms;
- Improving cotton farming sustainability and value chain competitiveness;
- Building the adaptive capacity of the Australian cotton industry;
- Strengthening partnerships and adoption; and
- Driving RD&E impact.

To help achieve this, Australian cotton growers and the Australian Government will co-invest \$20.2 million into cotton RD&E during 2019–20, across 300 projects and in collaboration with over 100 research partners.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Cotton Research and Development Corporation – Resource Statement – Budget Estimates for 2019–20 as at April 2019

	2018–19 Estimated actual \$'000	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	35,037	35,204
Funds from Government		
Special appropriations^(a)		
<i>Primary Industries Research and Development Act 1989 s.30(3) – Cotton R&D Corporation</i>	19,646	11,678
Total special appropriations	19,646	11,678
Total funds from Government	19,646	11,678
Funds from industry sources		
Levies ^(b)	9,170	5,839
<i>less amounts paid to the CRF</i>	(9,170)	(5,839)
Total funds from industry sources	-	-
Funds from industry sources		
Interest	704	600
Royalties	681	675
Other	4,929	1,814
Total funds from other sources	6,314	3,089
Total net resourcing for CRDC	60,997	49,971
	2018–19	2019–20
Average staffing level (number)	15	15

(a) CRDC is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to CRDC and are considered departmental for all purposes.

(b) Levies imposed and collected under the following legislation: *Primary Industries Research and Development Act 1989* (PIRD Act), *Primary Industries (Excise) Levies Act 1999*, *Primary Industries Levies and Charges Collection Act 1991* and associated legislation.

CRF – Consolidated Revenue Fund

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Cotton Research and Development Corporation are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Cotton Research and Development Corporation 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

CRDC does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

CRDC does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for the Cotton Research and Development Corporation can be found at:

www.crdc.com.au/publications/crdc-strategic-plan.

The most recent annual performance statement for the Cotton Research and Development Corporation can be found at:

www.crdc.com.au/publications/crdc-annual-report.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Adoption of innovation that leads to increased productivity, competitiveness and environmental sustainability through investment in research and development that benefits the Australian cotton industry and the wider community.

Linked programs

Department of Agriculture and Water Resources
Programs: <ul style="list-style-type: none">• Program 1.10: Agricultural Resources
Contribution to Outcome 1 made by linked program: <p>The Cotton Research and Development Corporation works together with the Department of Agriculture and Water Resources to ensure a sustainable, productive and profitable cotton industry.</p>

2.1.1 Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1 Budgeted expenses for Outcome 1

Outcome 1: Adoption of innovation that leads to increased productivity, competitiveness and environmental sustainability through investment in research and development that benefits the Australian cotton industry and the wider community.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Cotton Research and Development Corporation					
Revenue from Government					
Special appropriations					
<i>Primary Industries Research and Development Act 1989 s. 30(3) –</i>					
Cotton R&D Corporation	9,155	5,839	6,815	8,705	8,705
Special appropriations – Industry Levies	9,170	5,839	6,815	8,705	8,705
Revenues from other independent sources	6,321	3,089	2,320	1,630	1,630
Reserves	1,461	5,446	3,991	2,230	-
Total expenses for program 1.1	26,107	20,213	19,941	21,270	19,040
Outcome 1 totals by resource type					
Revenue from Government					
Special appropriations	9,155	5,839	6,815	8,705	8,705
Special appropriations – Industry Levies	9,170	5,839	6,815	8,705	8,705
Revenues from other independent sources	6,321	3,089	2,320	1,630	1,630
Reserves	1,461	5,446	3,991	2,230	-
Total expenses for Outcome 1	26,107	20,213	19,941	21,270	19,040
	2018–19	2019–20			
Average staffing level (number)	15	15			

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

As an entity established under the PIRD Act, CRDC does not produce a Corporate Plan under the PGPA Act and is therefore exempt from the requirement to map purposes to outcomes.

Outcome 1: Adoption of innovation that leads to increased productivity, competitiveness and environmental sustainability through investment in research and development that benefits the Australian cotton industry and the wider community.	
Program 1.1: Cotton Research and Development Corporation	
Objectives	Increase productivity and profitability on cotton farms Deliver RD&E for cotton producers to increase productivity, successfully protect crops from biotic threats and environmental stresses, adopt transformative technologies and innovate for improved profitability.
	Improve cotton farming sustainability and value chain competitiveness Deliver RD&E and innovation to create higher value uses for cotton and assist the industry achieve its ambition to be the highest yielding, finest, cleanest and most responsibly produced cotton in the world.
	Build adaptive capacity of the cotton industry Deliver RD&E to develop science and innovation capacity as well as new knowledge to strengthen adaptive capacity.
	Strengthening partnerships and adoption Deliver RD&E and innovation through collaborative partnerships to ensure adoption of best practice, new knowledge, products and services.
	Driving RD&E impact Deliver assessments of the impact of CRDC's RD&E investments that inform future investment direction and continuous improvement.

Continued on following pages

Contributions to Outcome 1 (continued)

Program 1.1: Cotton Research and Development Corporation (continued)	
Delivery	<p>Increase productivity and profitability on cotton farms</p> <p>Strategically prioritise investment in basic, applied and blue-sky research collaboratively with research and cross-sectoral partners to develop new knowledge, practices and adapt transformative technologies for on-farm application that also protect industry from biotic threats and environmental stresses.</p>
	<p>Improve cotton farming sustainability and value chain competitiveness</p> <p>Strategically prioritise investment in basic, applied and blue-sky research collaboratively with research, industry and cross-sectoral partners to develop new knowledge, practices, processes, higher value products and innovative approaches to improve the sustainability of cotton farming and strengthen value chain competitiveness.</p>
	<p>Build adaptive capacity of the cotton industry</p> <p>Strategically prioritise investment in RD&E collaboratively with research, industry and cross-sectoral partners to develop new knowledge, futures thinking, science and innovation capability.</p>
	<p>Strengthening partnerships and adoption</p> <p>Strategically prioritise investment in the effective adoption of research by strengthening partnerships and collaboration, development of best practice and supporting innovation and commercialisation.</p>
	<p>Driving RD&E impact</p> <p>Strategically prioritise investment in research, data capture, analysis and reviews with stakeholders and partners to demonstrate that RD&E investments deliver impact.</p>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	Targets
2018–19	Increase productivity and profitability on cotton farms Improved yield and quality.	Annual increase of 0.35 bales per hectare for irrigated cotton and 0.14 bales per hectare for dryland cotton.
	Improve cotton farming sustainability and value chain competitiveness CRDC collaborates in global leadership for sustainability initiatives.	Participates in six global initiatives.
	Build adaptive capacity of the cotton industry Science and innovation capacity is strengthened and strategically fit for a digital future.	10+ new/early career researchers supported through strategic career pathways.
	Strengthening partnerships and adoption Partnerships are strengthened to engage multi-disciplinary and multi-institutional resources.	40 per cent of annual RD&E investments are through cross sectoral partnerships.
	Driving RD&E impact CRDC monitors and evaluates RD&E impact.	One RD&E impact report per annum.
2019–20	As per 2018–19.	As per 2018–19.
2020–21 and beyond	As per 2018–19.	As per 2018–19.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The resourcing statement is prepared on a cash basis. The financial statements are prepared on an accrual basis. Differences between the resourcing and financial statements represent timing differences between revenue recognition and cash received.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Budgeted Comprehensive Income Statement

Variability in CRDC's revenue and expenditure is a result of significant fluctuations in the production of Australian cotton each year. Cotton production has been as low as 560,000 bales in 2008, as high as 5.4 million bales in 2012 and is estimated to be 2.7 million bales in 2019–20.

Revenue from industry levies, matching contributions from the Australian Government and royalties are determined by the level of cotton production and represent more than 83 per cent of total revenue. Since 2008–09 CRDC's revenue has fluctuated between \$7.7 million and \$31.4 million per annum.

The impact of a highly variable revenue stream on CRDC's investment in RD&E is minimised by managing cash reserves. During periods of high revenue CRDC builds up reserves by operating in surplus. During periods of low revenue CRDC draws on reserves by operating under approved deficits. This financial strategy allows CRDC to maintain a more consistent level of RD&E expenditure each year.

Matching contributions from the Australian Government are determined by either the value of industry levies collected or 0.5 per cent of the cotton industry's three year average gross value of production. Which limit will apply depends on the price of cotton, timing of the harvest and ginning and the variability of the crop size. Royalties from the sale of domestic and international planting seed, interest on investments, external grant revenue and research project refunds make up the balance of the CRDC's income.

To achieve the strategic priorities of the R&D plan for the period 2018–23, CRDC plans to invest a total of \$125.0 million for the five-year R&D plan. The current drought has reduced cotton production in most of the major cotton growing regions and will impact CRDC’s revenue and ability to invest \$125 million over the 5 year R&D plan. The current forward estimate is for a total investment of \$106.6 million.

In 2019–20 CRDC has budgeted for a deficit of \$5.4 million based on revenues of \$14.8 million and RD&E expenditure of \$20.2 million.

Budgeted Balance Sheet

Reserves increased between 2010–11 and 2013–14 during years of high cotton production and decreased from 2014–15 to 2018–19 due to below average levels of cotton production. In 2019–20 CRDC estimates production will be 2.7 million bales, continuing the trend of below-average production.

CRDC plans to use its reserves to maintain research expenditure at a consistent level in future years when crop levels are below historical averages. The balance of expenditure and reserves will be closely monitored to ensure that reserves remain at an appropriate level.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1 Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	2,230	2,446	2,416	2,474	2,533
Supplier expenses	1,249	998	1,068	1,038	1,159
Grants	22,369	16,510	16,198	17,499	15,089
Depreciation and amortisation	259	259	259	259	259
Total expenses	26,107	20,213	19,941	21,270	19,040
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	720	600	500	400	400
Royalties	681	675	940	980	980
Other Grants	4,420	1,314	630	-	-
Other	500	500	250	250	250
Total own-source revenue	6,321	3,089	2,320	1,630	1,630
Net cost of (contribution by) services	19,786	17,124	17,621	19,640	17,410
Revenue from Government ^(a)					
Commonwealth contribution	9,155	5,839	6,815	8,705	8,705
Industry contributions	9,170	5,839	6,815	8,705	8,705
Total revenue from Government	18,325	11,678	13,630	17,410	17,410
Surplus/(deficit) attributable to the Australian Government	(1,461)	(5,446)	(3,991)	(2,230)	-
Total comprehensive income/(loss) attributable to the Australian Government	(1,461)	(5,446)	(3,991)	(2,230)	-

(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture and Water Resources for R&D activities.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	2,204	1,747	1,604	996	935
Trade and other receivables	3,809	3,809	3,809	3,809	3,809
Investments in Shares	88	88	88	88	88
Investments	33,000	28,000	24,000	22,000	22,000
Total financial assets	39,101	33,644	29,501	26,893	26,832
Non-financial assets					
Land and buildings	760	795	830	865	900
Property, plant and equipment	706	667	719	1,082	1,043
Intangibles	380	395	460	440	505
Total non-financial assets	1,846	1,857	2,009	2,387	2,448
Total assets	40,947	35,501	31,510	29,280	29,280
LIABILITIES					
Payables					
Suppliers	200	200	200	200	200
Grants	4,000	4,000	4,000	4,000	4,000
Total payables	4,200	4,200	4,200	4,200	4,200
Provisions					
Employee provisions	491	491	491	491	491
Total provisions	491	491	491	491	491
Total liabilities	4,691	4,691	4,691	4,691	4,691
Net assets	36,256	30,810	26,819	24,589	24,589
EQUITY*					
Reserves	251	251	251	251	251
Retained surplus	36,005	30,559	26,568	24,338	24,338
Total Equity	36,256	30,810	26,819	24,589	24,589

*'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (budget year 2019–20)

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	36,005	251	36,256
Adjusted opening balance	36,005	251	36,256
Comprehensive income			
Surplus (deficit) for the period	(5,446)	-	(5,446)
Total comprehensive income	(5,446)	-	(5,446)
of which:			
Attributable to the Australian Government	(5,446)	-	(5,446)
Estimated closing balance as at 30 June 2020	30,559	251	30,810
Closing balance attributable to the Australian Government	30,559	251	30,810

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Industry contributions	10,162	5,839	6,815	8,705	8,705
Revenue from Government	9,484	5,839	6,815	8,705	8,705
Interest	704	600	500	400	400
Net GST received	20	-	-	-	-
Other Grants	4,420	1,314	630	-	-
Other	1,170	1,175	1,190	1,230	1,230
Total cash received	25,960	14,767	15,950	19,040	19,040
Cash used					
Employees	2,190	2,446	2,416	2,474	2,533
Suppliers	1,234	998	1,068	1,038	1,159
Grants	21,532	16,510	16,198	17,499	15,089
Total cash used	24,956	19,954	19,682	21,011	18,781
Net cash from (used by) operating activities	1,004	(5,187)	(3,732)	(1,971)	259
INVESTING ACTIVITIES					
Cash received					
Investments	30,000	30,000	34,000	36,000	30,000
Total cash received	30,000	30,000	34,000	36,000	30,000
Cash used					
Purchase of property, plant and equipment	837	270	411	637	320
Purchase of investment	35,000	25,000	30,000	34,000	30,000
Total cash used	35,837	25,270	30,411	34,637	30,320
Net cash from (used by) investing activities	(5,837)	4,730	3,589	1,363	(320)
Net increase (decrease) in cash held	(4,833)	(457)	(143)	(608)	(61)
Cash and cash equivalents at the beginning of the reporting period	7,037	2,204	1,747	1,604	996
Cash and cash equivalents at the end of the reporting period	2,204	1,747	1,604	996	935

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	837	270	411	637	320
TOTAL	837	270	411	637	320
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	837	270	411	637	320
Total cash used to acquire assets	837	270	411	637	320

(a) Includes the following sources of funding:
 – internally developed assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Land \$'000	Buildings \$'000	Other property, plant and equipment \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2019					
Gross book value	190	585	984	1,066	2,825
Accumulated depreciation/amortisation and impairment	-	(15)	(278)	(686)	(979)
Opening net book balance	190	570	706	380	1,846
CAPITAL ASSET ADDITIONS					
Estimated expenditure on new or replacement assets					
By purchase – other	-	50	45	175	270
Total additions	-	50	45	175	270
Other movements					
Depreciation/amortisation expense	-	(15)	(84)	(160)	(259)
Total other movements	-	(15)	(84)	(160)	(259)
As at 30 June 2020					
Gross book value	190	635	1,029	1,241	3,095
Accumulated depreciation/amortisation and impairment	-	(30)	(362)	(846)	(1,238)
Closing net book balance	190	605	667	395	1,857

Prepared on Australian Accounting Standards basis.

FISHERIES
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FISHERIES RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Fisheries Research and Development Corporation (FRDC) invests in research, development and extension (RD&E) that supports aquaculture, as well as commercial, Indigenous and recreational fishers. These stakeholders operate across environments that range from the northern tropics through to temperate seas and icy Antarctic waters, from freshwater rivers and lakes, to estuaries and the depths of the ocean.

The FRDC leads investment in fisheries research and development (R&D), partnering with organisations that have the necessary capabilities to undertake the varied and specialised activities. The focus remains on the end users, market and people who participate in fishing and aquaculture or who consume seafood, as such the FRDC invests and facilitates extension of the R&D that will lead to adoption and commercialisation. Results and outcomes of both the undertaking and extension of R&D are evaluated to measure and inform future investment.

FRDC's investment policy balances the needs of stakeholders, including the community, with achieving specific, planned end user solutions to national, regional and sector-based priorities. Partnerships and previous RD&E are considered in its planning and investment processes, to maximise leverage and reduce duplication.

The 2015–20 RD&E Plan is more prescriptive than previous plans and seeks to facilitate outcomes in several areas, while still providing flexibility to respond to unforeseen issues and opportunities. It is the FRDC's role to anticipate knowledge gaps and opportunities to ensure fishing and aquaculture meet future challenges.

As a quality-certified organisation (AS/NZS ISO 9001:2008), FRDC's RD&E investment is underpinned by a quality management system including mechanisms for reviewing performance and implementing changes, to ensure continuous improvement.

FRDC also contributes to the broader national strategic approach to fishing and aquaculture RD&E to build cohesion and establish common goals between sectors. While a primary focus of FRDC investment is to deliver benefits primarily to fishing and aquaculture stakeholders – FRDC investment delivers benefits to other participants in the value chain, research providers, and the wider Australian community.

New investments in 2019–20 will build on existing investments to deliver RD&E along the seafood value chain, and focus on the three national priorities, and on those outlined by stakeholders as part of their specific RD&E Plans.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Fisheries Research and Development Corporation – Resource Statement – Budget Estimates for 2019–20 as at April 2019

	2018–19 Estimated actual \$'000	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	22,297	22,411
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department ^(a)	2,015	-
Total amounts received from related entities	2,015	-
Special appropriations^(b)		
Primary industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation	23,555	24,607
Total special appropriations	23,555	24,607
Total funds from Government	25,570	24,607
Funds from industry sources		
Levies ^(c)	1,050	1,200
less amounts paid to the CRF	(1,050)	(1,200)
Industry contributions	6,504	7,359
Total funds from industry sources	6,504	7,359
Funds from other sources		
Interest	440	410
Other	4,734	2,600
Total funds from other sources	5,174	3,010
Total net resourcing for FRDC	59,545	57,387
	2018–19	2019–20
Average staffing level (number)	19	17

(a) FRDC has a grant agreement with the Department of Agriculture Water and Resources to develop the National Carp Control Plan.

(b) FRDC is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to FRDC and are considered departmental for all purposes.

(c) Levies are collected under the *Primary Industries Research and Development Act 1989* (PIRD Act) and the Fishing Levy Regulations and are remitted to the Department of Agriculture and Water Resources and transferred to the CRF. An equivalent amount of FRDC management levy is paid to FRDC by the Department of Agriculture and Water Resources under a special appropriation under the PIRD Act.

CRF – Consolidated Revenue Fund

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Fisheries Research and Development Corporation are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Fisheries Research and Development Corporation 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

FRDC does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

FRDC does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plans (annual operating plan and research development and extension plan for the Fisheries Research and Development Corporation can be found at:

<http://www.frdc.com.au/en/about-us/corporate-documents/annual-operating-plan> and <http://www.frdc.com.au/research/RDE-planning-and-priorities>.

The most recent annual performance statement for the Fisheries Research and Development Corporation can be found at:

<http://www.frdc.com.au/en/about-us/corporate-documents/annual-reports>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.

Linked programs

Department of Agriculture and Water Resources
Program: <ul style="list-style-type: none"> • Program 1.4: Fishing Industry
Contribution to Outcome 1 made by linked program: The Fisheries Research Development Corporation works together with the Department of Agriculture and Water Resources to ensure fishing and aquaculture in Australia is sustainable, productive and profitable.

2.1.1 Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1 Budgeted expenses for Outcome 1

Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.					
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Fisheries Research and Development Corporation					
Revenue from Government					
Payment from related entities	2,015	-	-	-	-
Special appropriations					
<i>Primary industries Research and Development Act 1989, s. 30A(3) & s. 30B(9) – Fisheries R&D Corporation</i>	22,712	29,132	25,437	26,182	27,029
Revenues from industry sources	8,653	8,743	8,498	8,734	9,086
Revenues from other independent sources	3,377	3,563	5,848	6,834	7,339
Total expenses for program 1.1	36,757	41,438	39,783	41,750	43,454
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	2,015	-	-	-	-
Special appropriations	22,712	29,132	25,437	26,182	27,029
Revenues from industry sources	8,653	8,743	8,498	8,734	9,086
Revenues from other independent sources	3,377	3,563	5,848	6,834	7,339
Total expenses for Outcome 1	36,757	41,438	39,783	41,750	43,454
	2018–19	2019–20			
Average staffing level (number)	19	17			

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

As an entity established under the PIRD Act, FRDC does not produce a Corporate Plan under the PGPA Act and is therefore exempt from the requirement to map purposes to outcomes.

Outcome 1: Increased economic, social and environmental benefits for Australian fishing and aquaculture, and the wider community, by investing in knowledge, innovation, and marketing.	
Program 1.1: Fisheries Research and Development Corporation	
Objectives	Australian fishing and aquaculture products are sustainable and acknowledged to be so By 2020, the community has effective access to, and understanding of, RD&E that supports fishing and aquaculture sustainability and improves perceptions of Australian seafood.
	Improved productivity and profitability By 2020, deliver RD&E for fishing and aquaculture to increase productivity and profitability consistent with economic, social and environmental sustainability.
	Developing new and emerging aquaculture growth opportunities By 2020, deliver RD&E sufficient for the significant commercialisation of at least two emerging aquaculture growth opportunities with demonstrated potential for profitable business operations.
	Partner and collaboration By 2020, provide an investment framework that gives partners (specific sectors and jurisdictions) greater ownership of their strategic priorities and direction, investment in these activities and responsibility for taking outputs and turning them into outcomes.
Delivery	Australian fishing and aquaculture products are sustainable and acknowledged to be so Continue to prioritise investment in RD&E that contributes to the sustainability of fishing and aquaculture, including consideration of target species, bycatch species, threatened, endangered and protected species, and the broader marine environment.

Continued on following pages

Contributions to Outcome 1 (continued)

Program 1.1: Fisheries Research and Development Corporation (continued)		
Delivery (continued)	Improved productivity and profitability	
	Invest in RD&E to understand the drivers of and impediments to productivity and profitability growth in all fishing and aquaculture sectors; research means of increasing sustainable production and profitability; link these to business education; encompass the needs of Indigenous communities.	
	Developing new and emerging aquaculture growth opportunities	
	Identify research constraints to industry growth – such as lack of potential markets, cost of production, survival, deformities and uniformity of growth – and invest in RD&E to determine successful and competitive commercial activity.	
	Partner and collaboration	
	Enter into partnership agreements with specific sectors and jurisdictions to jointly develop and invest against RD&E priorities.	
Performance information		
Year	Performance criteria	Targets
2018–19 ^{Note}	Projects focus on the FRDC Board's assessment of priority research and development issues.	95 per cent are a priority.
	Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption.	95 per cent are a high priority.
	Maintain ISO9001:2008 accreditation.	FRDC maintains certification.
	Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100 per cent met Government requirements.
	Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits.	Achieve unqualified audit result.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2018–19 (continued)	Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
	Perception of the commercial fishing industry increased from 30 per cent to 36 per cent by 2020.	Perception of industry increases to 31 per cent.
	Volume of aquaculture rises to above 100,000 tonnes.	Annual aquaculture production exceeds 85,000 tonnes.
	The value of Australia's fishing and aquaculture increases by 20 per cent (\$2.4 billion to \$2.8 billion).	Value increases to \$2.4 billion.
	There are 2–3 new aquaculture species that are seeing good productivity and profitability growth as measured by an increase in tonnage from other species.	Production of new aquaculture species increases to 1,000 tonnes.
	Corporate governance and decision making is overseen by a framework of policies and procedures	
	Projects focus on the FRDC Board's assessment of priority research and development issues.	95 per cent are a priority.
	Projects are assessed as meeting high standards/peer review requirements for improvements in performance and likely adoption.	95 per cent are a high priority.
	Maintain ISO9001:2008 accreditation.	FRDC maintains certification.
	Submit planning and reporting documents in accordance with legislative and Australian Government requirements and timeframes.	100 per cent met Government requirements.
	Implement best practice governance arrangements to promote transparency, good business performance and unqualified audits.	Achieve unqualified audit result.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2018–19 (continued)	Demonstrate the benefits of RD&E investments by positive benefit cost analysis results.	Benefit analysis undertaken on one investment area.
	Australian fishing and aquaculture products are sustainable and acknowledged to be so	
	The number of species in the national Status of Key Australian Fish Stocks Reports increases to include 200 species.	160 species included in Status of Australian Fish Stocks Reports.
	The number of species classified as 'undefined' is reduced from the previous [2016] Status of Key Australian Fish Stocks Reports.	Undefined species is less than 20 per cent.
	Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020.	Perception of industry increases to 34 per cent.
	Improved productivity and profitability	
	Understand the quantity of potential production from Australia's fishing and aquaculture resources.	One report completed on quantity of production from Australia's fishing and aquaculture resources.
	Developing new and emerging aquaculture growth opportunities	
	Advance two or more new or emerging aquaculture opportunities for which RD&E has identified clear opportunities and technologies for good production and profitability growth, as measured by increases in harvest tonnages.	1,500 tonnes of additional production.
	Partner and collaboration	
	Partners have a RD&E plan. Partners invest in a balanced portfolio across the FRDC purpose themes – environment, industry, communities, people and extension.	90 per cent of partners have an RD&E Plan. Investment portfolios include investment across FRDC purposes.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2019–20 (continued)	Corporate governance and decision making is overseen by a framework of policies and procedures	
	As per 2018–19.	As per 2018–19.
	Australian fishing and aquaculture products are sustainable and acknowledged to be so	
	Perception of the commercial fishing industry increased from 28 per cent to 40 per cent by 2020.	Perception of industry increases to 36 per cent.
	Developing new and emerging aquaculture growth opportunities	
	Advance two or more new or emerging aquaculture opportunities for which RD&E has identified clear opportunities and technologies for good production and profitability growth, as measured by increases in harvest tonnages.	2,000 tonnes of additional production.
	Partner and collaboration	
	As per 2018–19.	As per 2018–19.
2020–21 and beyond	Corporate governance and decision making is overseen by a framework of policies and procedures	
	As per 2018–19.	As per 2018–19.
	Partner and collaboration	
	As per 2018–19.	As per 2018–19.

Note: Performance criteria and targets were changed in 2015–16 for subsequent years following the approval of the FRDC Research, Development and Extension Plan 2015–20.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

The FRDC's RD&E expenditure is dependent on the gross value of production (GVP) of the Australian fishing industry. The indication for the GVP for the Australian fishing industry is positive, with growth expected in 2018–19 year. This is based primarily on aquaculture which is anticipated to grow – prawns, Barramundi, Atlantic Salmon and Yellowtail Kingfish will be key drivers. Income contributions from the commercial sector are expected to maintain current levels. The commencement of marketing activities is likely to see industry contribute funds specifically for this activity. The amount of marketing income is not likely to be significant in 2018–19, but is likely to grow in future years.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1 Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	3,824	4,021	4,183	4,350	4,524
Supplier expenses	1,733	2,097	2,000	2,100	2,200
Grants	31,000	34,000	31,800	32,600	33,580
Depreciation and amortisation	200	200	200	200	200
Other	-	1,120	1,600	2,500	2,950
Total expenses	36,757	41,438	39,783	41,750	43,454
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	440	410	350	350	350
Contributions	8,948	7,384	8,500	8,755	9,100
Other	3,052	2,600	5,500	6,500	7,000
Total own-source revenue	12,440	10,394	14,350	15,605	16,450
Total own-source income	12,440	10,394	14,350	15,605	16,450
Net cost of (contribution by) services	24,317	31,044	25,433	26,145	27,004
Total funds from other sources					
Commonwealth contribution	25,570	24,607	25,443	26,243	27,069
Total revenue from Government	25,570	24,607	25,443	26,243	27,069
Surplus/(deficit) attributable to the Australian Government	1,253	(6,437)	10	98	65
Total comprehensive income/(loss) attributable to the Australian Government	1,253	(6,437)	10	98	65

(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture and Water Resources for R&D activities.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	22,411	15,657	15,785	15,919	15,718
Trade and other receivables	3,468	3,493	3,197	2,996	3,096
Investments	5	5	5	5	5
Total financial assets	25,884	19,155	18,987	18,920	18,819
Non-financial assets					
Property, plant and equipment	132	122	126	126	132
Intangibles	940	1,100	1,260	1,420	1,580
Other	10	10	10	10	10
Total non-financial assets	1,082	1,232	1,396	1,556	1,722
Total assets	26,966	20,387	20,383	20,476	20,541
LIABILITIES					
Payables					
Suppliers	172	190	188	188	188
Projects	250	250	250	250	250
Total payables	422	440	438	438	438
Provisions					
Employee provisions	957	797	785	780	780
Total provisions	957	797	785	780	780
Total liabilities	1,379	1,237	1,223	1,218	1,218
Net assets	25,587	19,150	19,160	19,258	19,323
EQUITY*					
Reserves	413	413	413	413	413
Retained earnings	25,174	18,737	18,747	18,845	18,910
Total Equity	25,587	19,150	19,160	19,258	19,323

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	25,174	413	25,587
Adjusted opening balance	25,174	413	25,587
Comprehensive income			
Surplus (deficit) for the period	(6,437)	-	(6,437)
Total comprehensive income	(6,437)	-	(6,437)
of which:			
Attributable to the Australian Government	(6,437)	-	(6,437)
Estimated closing balance as at 30 June 2020	18,737	413	19,150
Closing balance attributable to the Australian Government	18,737	413	19,150

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Australian Government	25,570	24,607	25,443	26,243	27,069
Other operating receipts	11,211	9,959	14,282	15,446	15,984
Interest	440	410	350	350	350
Total cash received	37,221	34,976	40,075	42,039	43,403
Cash used					
Employees	3,879	4,181	4,195	4,355	4,524
Suppliers	1,817	3,199	3,602	4,600	5,150
Projects	31,058	34,000	31,800	32,600	33,580
Total cash used	36,754	41,380	39,597	41,555	43,254
Net cash from (used by) operating activities	467	(6,404)	478	484	149
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	50	50	50	50	50
Purchase of Intangibles	300	300	300	300	300
Total cash used	350	350	350	350	350
Total funds from other sources	(350)	(350)	(350)	(350)	(350)
Net increase (decrease) in cash held	117	(6,754)	128	134	(201)
Cash and cash equivalents at the beginning of the reporting period	22,294	22,411	15,657	15,785	15,919
Cash and cash equivalents at the end of the reporting period	22,411	15,657	15,785	15,919	15,718

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	350	350	350	350	350
TOTAL	350	350	350	350	350
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	350	350	350	350	350
Total cash used to acquire assets	350	350	350	350	350

(a) Includes the following source of funding:
 – internally developed assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2019			
Gross book value	192	1,553	1,745
Accumulated depreciation/amortisation	(60)	(613)	(673)
Opening net book balance	132	940	1,072
CAPITAL ASSET ADDITIONS			
Estimated expenditure on new or replacement assets			
By purchase – other	50	300	350
Total additions	50	300	350
Other movements			
Depreciation/amortisation expense	(60)	(140)	(200)
Total other movements	(60)	(140)	(200)
As at 30 June 2020			
Gross book value	242	1,853	2,095
Accumulated depreciation/amortisation	(120)	(753)	(873)
Closing net book balance	122	1,100	1,222

Prepared on Australian Accounting Standards basis.

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GRAINS

RESEARCH AND DEVELOPMENT CORPORATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Grains Research and Development Corporation's (GRDC) purpose is to invest in research, development and extension (RD&E) to create enduring profitability for Australian grain growers.

In supporting its purpose, GRDC invests in RD&E activities across a portfolio spanning temperate and tropical cereals (including coarse grains), pulses and oilseeds. This involves identifying and prioritising research for investment; monitoring, evaluating and reporting on research impacts; and facilitating the dissemination, adoption and commercialisation of research results.

GRDC also contributes to the development of strategic national approaches to grains industry RD&E, to reduce fragmentation and duplication and to help address industry-wide issues such as biosecurity, grains market access and sustainable resource management.

While its focus is on delivering benefits to Australian grain growers, who pay levies, GRDC also generates outcomes from investing in RD&E that benefit other participants in the Australian grains industry value chain and the wider Australian community, as well as the grains research community in Australia and overseas. GRDC investments support the capacity of the Australian research community through collaborative approaches that minimise duplication of effort and provide access to shared knowledge, infrastructure and facilities.

Effective partnerships with other Australian organisations enable GRDC to leverage resources and research capability; share market knowledge, technologies and intellectual property; and reduce the risk associated with transformational investments. GRDC also builds strong relationships with organisations overseas, both to broaden the resources available to the Australian grains industry and to access international RD&E efforts that offer potential benefits, such as food security, for Australia.

Because adoption by growers is critical to achieving benefits from research and development (R&D), GRDC undertakes activities to raise awareness of grains industry R&D and extend the results of GRDC-supported investments to grain growers and their advisers, other participants in rural industry and the wider community. Recognising different needs and preferences for receiving information, GRDC uses a range of products and channels, from phone apps to field days.

GRDC works closely with Australian grain growers and the Australian Government to ensure that their RD&E priorities are effectively addressed through GRDC investments. GRDC also maintains strong connections with its other stakeholders, particularly in the R&D and agribusiness sectors.

GRDC's investment priorities are articulated in the RD&E Plan 2018–2023. The plan is firmly focussed on delivering research and extension investments that increase the profitability of Australian grain growers. The plan considers the key drivers of profitability in terms of yield, price, costs (on-farm and post farm gate) as well as risk.

It is important to note that the impact of different drivers on profit will vary across grain-growing businesses and environments. This will inform the potential shape and scope of the GRDC's RD&E investment portfolio at the national level, and on the activities and approaches required to support adoption of RD&E outputs at the regional and local levels.

The RD&E Plan 2018–2023 has been informed by extensive consultation across a broad spectrum of grains industry participants, government, and research providers. The consultation identified 36 key investment targets, with relative priorities that will underpin the delivery of the GRDC's purpose.

Detailed performance information across all the drivers of profitability through Key Investment Targets will be available in each of the GRDC Annual Operational Plans across the five-year period.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Grains Research and Development Corporation – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019

	<i>2018–19 Estimated actual \$'000</i>	<i>2019–20 Estimate \$'000</i>
Opening balance/cash reserves at 1 July	232,825	170,092
Funds from Government		
Special appropriations^(a)		
<i>Primary Industries Research and Development Act 1989, s. 30(3) – Grains and Wheat R&D Corporation</i>	<i>159,426</i>	<i>183,003</i>
Total special appropriations	159,426	183,003
Total funds from Government	159,426	183,003
Funds from industry sources		
<i>Levies^(b)</i>	<i>98,330</i>	<i>128,902</i>
<i>less amounts paid to the CRF</i>	<i>(98,330)</i>	<i>(128,902)</i>
Total funds from industry sources	-	-
Funds from other sources		
<i>Interest</i>	<i>6,398</i>	<i>5,026</i>
<i>Royalties</i>	<i>5,000</i>	<i>4,000</i>
<i>Other</i>	<i>794</i>	<i>2,053</i>
Total funds from other sources	12,192	11,079
Total net resourcing for GRDC	404,443	364,174
	2018–19	2019–20
Average staffing level (number)	79	79

(a) GRDC is not directly appropriated as it is a corporate Commonwealth entity under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to GRDC and are considered departmental for all purposes.

(b) The levies collected under the *Primary Industries Levies and Charges Collection Act 1991* are remitted to the Department of Agriculture and Water Resources and transferred to the Consolidated Revenue Fund. An equivalent amount is paid by Department of Agriculture to the GRDC as a special appropriation under the *Primary Industries Research and Development Act 1989* (PIRD Act).

CRF – Consolidated Revenue Fund

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Grains Research and Development Corporation are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Grains Research and Development Corporation 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

GRDC does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

GRDC does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements — included in annual reports — to provide an entity's complete performance story.

The most recent corporate plan for the Grains Research and Development Corporation can be found at:

<https://grdc.com.au/About-Us/Corporate-Governance/Strategic-RD-Plan>.

The most recent annual performance statement for the Grains Research and Development Corporation can be found at:

<https://grdc.com.au/About-Us/Corporate-Governance/Annual-Report>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.

Linked programs

Department of Agriculture and Water Resources
Programs: <ul style="list-style-type: none">• Program 1.7: Grains Industry
Contribution to Outcome 1 made by linked program: <p>The Grains Research Development Corporation works together with the Department of Agriculture and Water Resources to ensure sustainable, productive and profitable grains industry.</p>

2.1.1 Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 1

Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Grains Research and Development Corporation					
Revenue from Government					
Special appropriations					
<i>Primary Industries Research and Development Act 1989, s. 30(3) –</i>					
Grains and Wheat R&D Corporation	61,456	70,102	70,457	77,341	82,127
Revenues from industry sources	98,329	128,902	132,602	136,407	140,322
Revenues from other independent sources	15,828	11,744	11,376	11,021	10,810
Reserves	38,383	12,924	9,956	332	(7,439)
Total expenses for program 1.1	213,996	223,672	224,391	225,101	225,820
Outcome 1 totals by resource type					
Revenue from Government					
Special appropriations	61,456	70,102	70,457	77,341	82,127
Revenues from industry sources	98,329	128,902	132,602	136,407	140,322
Revenues from other independent sources	15,828	11,744	11,376	11,021	10,810
Reserves	38,383	12,924	9,956	332	(7,439)
Total expenses for Outcome 1	213,996	223,672	224,391	225,101	225,820
	2018–19	2019–20			
Average staffing level (number)	79	79			

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

As an entity established under the PIRD Act, GRDC does not produce a Corporate Plan under the PGPA Act and is therefore exempt from the requirement to map purposes to outcomes.

Outcome 1: New information and products that enhance the productivity, competitiveness and environmental sustainability of Australian grain growers and benefit the industry and wider community, through planning, managing and implementing investments in grains research and development.		
Program 1.1: Grains Research and Development Corporation		
Objective	Drive the discovery, development and delivery of world-class innovation to enhance the productivity, profitability and sustainability of Australian grain growers and benefit the industry and the wider community.	
Delivery	Continue to prioritise RD&E investments that supports the enduring profitability of Australian grain growers. The target group is primarily Australian grain growers but the grains industry value chain also includes Governments, industry groups, rural and regional communities, research organisations and the wider community.	
Performance information ^(a)		
Year	Performance criteria	Targets
2018–19	Average farm business rates of return.	A minimum of 6 per cent by 2023.
	Improvements in yield and yield stability.	Minimum yield increases equivalent to one per cent per annum for cereals, two per cent per annum for pulses and 1.5 per cent for oilseeds.
	Yield stability.	By 2023 a minimum 20 per cent closure of the gap between potential yield and actual yield.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information^(a) (continued)		
Year	Performance criteria	Targets
2018–19 (continued)	Maintaining and improving price.	<p>Identification of potential new products that attract premium prices.</p> <p>Identification of opportunities for product differentiation.</p> <p>Defence of current market access programs.</p>
	Optimising input costs.	<p>Maintain increases in chemistry costs below the five-year trend (2018–2023) equivalent to \$85.50 per hectare or a ratio of input to crop revenue of 0.166.</p> <p>Maintain increases in fertilizer costs below the five-year trend (2018–2023) equivalent to \$84.30 per hectare or a ratio of input to crop revenue of 0.164.</p> <p>Note:</p> <p>Not all input costs are captured in this target – all inputs costs as a share of cash receipts are captured in the calculation of Rates of Return.</p> <p>Reporting on a mean can be informative but is not the best indicator of impact due to variations across region, soil type, rainfall and business characteristics of each farm. GRDC is working toward developing a more detailed regionalised dataset which will allow for impact measurement.</p>

Continued on following page

Contributions to Outcome 1 (continued)

Performance information^(a) (continued)		
Year	Performance criteria	Targets
2019–20	As per 2018–19.	As per 2018–19.
2020–21 and beyond	As per 2018–19.	As per 2018–19.

(a) Additional performance information that support the achievement of the above performance criteria are available in the GRDC's 2018–2023 Strategic RD&E plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The financial statements are prepared on an accrual basis where revenues and expenses are recognised as and when the resources are received and used. The entities resourcing table recognises cash resources available to be used during the period and includes amounts recognised as revenue in previous periods.

3.1.2 Explanatory notes and analysis of budgeted financial statements

GRDC's revenue is primarily from industry contributions in the form of levies paid on the farm gate value of grain sold and Australian Government contributions which are capped at 0.5 per cent of the three-year rolling average of gross value of production (GVP). GRDC's revenue streams are therefore subject to the volatility of local and international grain commodity markets, farm gate costs, environmental conditions and the marketing decisions of growers. This means the assumptions in developing financial forecasts have a high degree of uncertainty and change frequently.

In 2019–20, GRDC is budgeting for an operating deficit of \$13.0 million which will be funded from its own accumulated reserves. Industry contributions are expected to increase by \$30.6 million on the current year estimates and in line with long term trends. Australian Government contributions are expected to increase by \$8.7 million. Own source income is expected to decrease by \$4.0 million due to a reduction in interest, grant income, royalties, and dividends due to the lower revenues and a reduction in reserves used to meet expected losses in 2018–19. In support of current higher values of RD&E investment, supplier expenses, including those relating to contracted operational support services are expected to increase by \$7.7 million in 2019–20.

The budgeted net asset position for 2019–20 is \$148.0 million which is \$16.0 million less than the 2018–19 estimated actual. This decrease is due to the reduction in investments required to manage losses that were greater than budgeted in 2018–19.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1 Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	13,639	14,908	15,355	15,816	16,290
Supplier expenses	197,866	205,583	205,174	205,374	205,860
Depreciation and amortisation	2,491	3,181	3,862	3,911	3,670
Total expenses	213,996	223,672	224,391	225,101	225,820
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	6,586	5,222	3,985	3,455	3,219
Grant income	1,000	200	-	-	-
Royalties	5,000	4,000	5,200	5,300	5,400
Dividends	1,500	1,200	1,300	1,500	1,500
Other	1,742	1,122	891	766	691
Total own-source revenue	15,828	11,744	11,376	11,021	10,810
Total own-source income	15,828	11,744	11,376	11,021	10,810
Net cost of (contribution by) services	198,168	211,928	213,015	214,080	215,010
Revenue from Government ^(a)					
Commonwealth contributions	61,456	70,102	70,457	77,341	82,127
Industry contributions	98,329	128,902	132,602	136,407	140,322
Total revenue from Government	159,785	199,004	203,059	213,748	222,449
Surplus/(deficit) attributable to the Australian Government	(38,383)	(12,924)	(9,956)	(332)	7,439
Total comprehensive income/(loss) attributable to the Australian Government	(38,383)	(12,924)	(9,956)	(332)	7,439

(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture and Water Resources for R&D activities.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	927	810	633	1,310	5,686
Trade and other receivables	18,514	35,180	29,833	33,598	32,293
Investments	169,165	127,165	115,165	106,165	106,165
Other investments	9,215	14,215	19,215	24,215	29,215
Total financial assets	197,821	177,370	164,846	165,288	173,359
Non-financial assets					
Land and buildings	2,256	2,055	1,854	1,653	1,452
Property, plant and equipment	1,505	1,019	565	272	198
Intangibles	9,121	11,502	12,315	10,993	10,143
Other non-financial assets	714	714	714	714	714
Total non-financial assets	13,596	15,290	15,448	13,632	12,507
Total assets	211,417	192,660	180,294	178,920	185,866
LIABILITIES					
Payables					
Suppliers	46,286	40,582	38,300	37,387	37,022
Total payables	46,286	40,582	38,300	37,387	37,022
Provisions					
Employee provisions	2,746	2,796	2,846	2,896	2,946
Other provisions	1,405	1,226	1,048	869	691
Total liabilities	50,437	44,604	42,194	41,152	40,659
Net assets	160,980	148,056	138,100	137,768	145,207
EQUITY*					
Reserves	1,671	1,671	1,671	1,671	1,671
Retained earnings	159,309	146,385	136,429	136,097	143,536
Total Equity	160,980	148,056	138,100	137,768	145,207

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2019–20)**

	Retained earnings	Asset revaluation reserve	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	159,309	1,671	160,980
Adjusted opening balance	159,309	1,671	160,980
Comprehensive income			
Surplus (deficit) for the period	(12,924)	-	(12,924)
Total comprehensive income	(12,924)	-	(12,924)
Estimated closing balance as at 30 June 2020	146,385	1,671	148,056
Closing balance attributable to the Australian Government	146,385	1,671	148,056

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Industry contributions	98,658	128,902	132,602	136,407	140,322
Revenue from Government	60,667	54,101	76,587	70,724	82,503
Interest	6,398	5,025	3,780	3,381	3,219
Net GST received	19,787	20,555	20,517	20,537	20,586
Other	6,662	6,522	7,391	7,566	7,591
Total cash received	192,172	215,105	240,877	238,615	254,221
Cash used					
Employees	13,589	14,858	15,305	15,766	16,240
Suppliers	234,076	232,489	228,729	227,583	227,576
Total cash used	247,665	247,347	244,034	243,349	243,816
Net cash from (used by) operating activities	(55,493)	(32,242)	(3,157)	(4,734)	10,405
INVESTING ACTIVITIES					
Cash received					
Investments	33,000	42,000	12,000	12,506	1,516
Total cash received	33,000	42,000	12,000	12,506	1,516
Cash used					
Purchase of property, plant and equipment	5,240	4,875	4,020	2,095	2,545
Investments	5,000	5,000	5,000	5,000	5,000
Total cash used	10,240	9,875	9,020	7,095	7,545
Net cash from (used by) investing activities	22,760	32,125	2,980	5,411	(6,029)
Cash and cash equivalents at the beginning of the reporting period	33,660	927	810	633	1,310
Cash and cash equivalents at the end of the reporting period	927	810	633	1,310	5,686

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded internally from departmental resources ^(a)	5,240	4,875	4,020	2,095	2,545
TOTAL	5,240	4,875	4,020	2,095	2,545
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	5,240	4,875	4,020	2,095	2,545
Total cash used to acquire assets	5,240	4,875	4,020	2,095	2,545

(a) Includes the following source of funding:
 – internally developed assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	4,004	3,097	14,267	21,368
Accumulated depreciation/amortisation and impairment	(1,748)	(1,592)	(5,146)	(8,486)
Opening net book balance	2,256	1,505	9,121	12,882
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – other	-	-	4,875	4,875
Total additions	-	-	4,875	4,875
Other movements				
Depreciation/amortisation expense	(201)	(486)	(2,494)	(3,181)
Total other movements	(201)	(486)	(2,494)	(3,181)
As at 30 June 2020				
Gross book value	4,004	3,097	19,142	26,243
Accumulated depreciation/amortisation and impairment	(1,949)	(2,078)	(7,640)	(11,667)
Closing net book balance	2,055	1,019	11,502	14,576

Prepared on Australian Accounting Standards basis.

MURRAY-DARLING BASIN AUTHORITY

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MURRAY-DARLING BASIN AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Murray-Darling Basin Authority (MDBA) establishes and monitors the sustainable and integrated management of the water resources of the Murray-Darling Basin. We do this in a way that best meets the social, economic and environmental needs of the Basin and its communities. We work in collaboration with other Australian Government agencies, Basin State governments, local governments, regional bodies, industry groups, landholders, environmental organisations, scientists, research organisations and Murray-Darling Basin communities, including Indigenous communities, and the broader Australian community.

The MDBA achieves this through its outcome:

Outcome 1: Equitable and sustainable use of the Murray-Darling Basin by governments and the community including through development and implementation of a Basin Plan, operation of the River Murray system, shared natural resource management programmes, research, information and advice.

In addition to its functions under the *Water Act 2007*, the MDBA has functions under the Murray-Darling Basin Agreement (Agreement), which forms Schedule 1 to the Act. These include giving effect to decisions of the Murray-Darling Basin Ministerial Council and the Basin Officials' Committee in relation to the Basin governments' joint programs. The MDBA delivers its functions under the Agreement in conjunction with and on behalf of the contracting governments – the Australian Government and the governments of Victoria, South Australia, New South Wales, Queensland and the Australian Capital Territory.

Our purpose

To improve the health and sustainability of the Murray Darling Basin through integrated reform and management of water and other natural resources for the long-term benefit of the Australian community.

Our objectives

During 2019–20, the MDBA will continue to focus its efforts on implementing the Basin Plan.

Key priorities are:

- Coordinate the implementation of the Basin plan;
- Strengthen the culture of compliance in water take in the Murray-Darling Basin;
- Operate the River Murray system efficiently for partner governments;
- Improve transparency and confidence in the Basin Plan, River Murray operations and the Murray-Darling Basin Authority; and
- Apply the best available science and knowledge to the management of the Murray-Darling Basin.

Throughout 2019–20, the MDBA will also continue to work with and on behalf of the Basin governments to deliver on its Agreement functions. Key priorities are to:

- Deliver the suite of programs agreed by the Murray-Darling Basin Ministerial Council, taking account of the financial contributions from Basin governments;
- Continue to work with the Basin governments to agree options for sustainable delivery of joint programs and the maintenance of existing and future jointly owned assets;
- Coordinate the delivery of environmental water in the southern connected Basin via the Southern Connected Basin Environmental Watering Committee;
- Work with Basin governments to implement the Basin Salinity Management 2030 Strategy; and
- Manage River Murray Operations and assets.

The MDBA has long been committed to developing and maintaining strong regional links with communities, in line with the Australian Government’s decentralisation approach. In 2019–20 the MDBA will progress work to increase its regional presence by 76 staff by mid-2021. This will bring the total MDBA staff in regional locations to one third of employees – a total of 103 staff.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Murray-Darling Basin Authority – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019

	2018–19 ^(a) Estimated actual \$'000	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	97,950	85,655
Funds from Government		
Annual appropriations – ordinary annual services^(b)		
Outcome 1	91,700	75,628
Annual appropriations – other services – non-operating^(b)		
Equity injection	-	7,425
Total annual appropriations	91,700	83,053
Amounts received from related entities		
Amounts from portfolio department ^(c)	12,006	11,518
Total amounts received from related entities	12,006	11,518
Total funds from Government	103,706	94,571
Funds from other sources		
Royalties	1,100	700
Sale of goods and services	238	238
Grant	85,351	83,151
Other	4,370	5,500
Total funds from other sources	91,059	89,589
Total net resourcing for MDBA	292,715	269,815
	2018–19	2019–20
Average staffing level (number)	288	289

(a) Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–19, as they had not been enacted at the time of publication. For MDBA, the Bills include \$2.500 million in departmental appropriation; these funds pass through the Department of Agriculture and Water Resources.

(b) Appropriation Bill (No. 1) and Bill (No. 2) 2019–20. Appropriation is provided through the Department of Agriculture and Water Resources and is specified within the Annual Appropriation Bills as a payment to the MDBA.

(c) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Murray-Darling Basin Authority are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Murray-Darling Basin Authority 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

MDBA does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

MDBA does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements — included in annual reports — to provide an entity's complete performance story.

The most recent corporate plan for the Murray-Darling Basin Authority can be found at:

<https://www.mdba.gov.au/publications/policies-guidelines/corporate-plan>.

The most recent annual performance statement for the Murray-Darling Basin Authority can be found at:

<https://www.mdba.gov.au/publications/mdba-reports/mdba-annual-report>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Equitable and sustainable use of the Murray-Darling Basin by governments and the community including through development and implementation of a Basin Plan, operation of the River Murray system, shared natural resource management programs, research, information and advice.

Linked programs

Department of Agriculture and Water Resources
Program: <ul style="list-style-type: none"> Program 3.1: Water Reform
Contribution to Outcome 1 made by linked program: The Murray-Darling Basin Authority works collaboratively with the Departments of Agriculture and Water Resources, and Environment and Energy to implement the Murray-Darling Basin Plan and the Intergovernmental Agreement on Murray-Darling Basin Reform.
Bureau of Meteorology
Programs: <ul style="list-style-type: none"> Program 1.1: Bureau of Meteorology
Contribution to Outcome 1 made by linked programs: The Bureau of Meteorology provides weather, climate and water modelling to the Murray-Darling Basin Authority.
Department of the Environment and Energy
Program: <ul style="list-style-type: none"> Program 1.3: Commonwealth Environmental Water
Contribution to Outcome 1 made by linked program: The Murray-Darling Basin Authority and the Department of the Environment and Energy work together on implementation of the Basin Plan, operation of the River Murray System, shared natural resource management programs, research, information, advice and Basin Plan reporting obligations, all of which contribute to the management of Commonwealth environmental water.

Table 2.1.1: Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1: Budgeted expenses for Outcome 1

Outcome 1: Equitable and sustainable use of the Murray-Darling Basin by governments and the community including through development and implementation of a Basin Plan, operation of the River Murray system, shared natural resource management programs, research, information and advice.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Murray-Darling Basin Authority					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1)) ^(a)	94,200	75,628	45,558	39,486	37,933
Payment from related entities	12,006	11,518	13,406	12,262	14,460
Expenses not requiring appropriation in the budget year ^(b)	11,426	4,574	8,000	21,565	-
Revenues from other independent sources ^(c)	91,137	89,667	93,727	92,423	91,708
Total expenses for program 1.1	208,769	181,387	160,691	165,736	144,101
Outcome 1 totals by resource type					
Revenue from Government					
Ordinary annual services					
(Appropriation Bill (No. 1))	94,200	75,628	45,558	39,486	37,933
Payment from related entities	12,006	11,518	13,406	12,262	14,460
Expenses not requiring appropriation in the budget year	11,426	4,574	8,000	21,565	-
Revenues from other independent sources	91,137	89,667	93,727	92,423	91,708
Total expenses for Outcome 1	208,769	181,387	160,691	165,736	144,101
	2018–19	2019–20			
Average staffing level (number)	288	289			

(a) The MDBA is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the Department of Agriculture and Water Resources to the MDBA. This amount includes \$2.500 million in Appropriation Bill (No. 3) 2018–19 that has not yet been enacted.

(b) This represents excess of expenditure over revenue resulting in operating loss and funds are drawn from the MDBA special account.

(c) Revenues from other independent sources include contributions from jurisdictions for Agreement functions, other miscellaneous revenue and funds drawn from the Murray-Darling Basin special account. The Murray-Darling Basin special account is not a Special Account for the purpose of the PGPA Act.

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Equitable and sustainable use of the Murray-Darling Basin by governments and the community including through development and implementation of a Basin Plan, operation of the River Murray system, shared natural resource management programs, research, information and advice.		
Program 1.1: Equitable and sustainable use of the Murray-Darling Basin		
Objective	To improve the health and sustainability of the Murray Darling Basin through integrated reform and management of water and other natural resources for the long-term benefit of the Australian community.	
Delivery	Collaborating with Basin governments, communities and the Commonwealth to achieve sustainable management of the Murray-Darling Basin river system, while ensuring continual application of the <i>Water Act 2007</i> , Murray-Darling Basin Agreement and the Murray-Darling Basin Plan.	
Performance information		
Year	Performance criteria	Targets ^(a)
2018–19	Lead the implementation of the Basin Plan to achieve a healthy working Basin.	The measures and evidence of progress against this measure will be described in the Authority’s Annual Performance Statement 2018–19 in line with the evidence targets described in the 2018–19 Corporate Plan.
	Operate the River Murray system efficiently for partner governments.	The measures and evidence of progress against this measure will be described in the Authority’s Annual Performance Statement 2018–19 in line with the evidence targets described in the 2018–19 Corporate Plan.
2019–20	As per 2018–19.	As per 2018–19.
2020–21 and beyond	As per 2018–19.	As per 2018–19.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information (continued)	
Purpose^(b)	To improve the health and sustainability of the Murray Darling Basin through integrated reform and management of water and other natural resources for the long-term benefit of the Australian community.

- (a) Targets are not comprehensive enough to stand alone without other performance information.
The MDBA's annual performance statements provide a total assessment of performance against all of the measures set out in the Corporate Plan.
- (b) Refers to updated purpose that will be reflected in the 2019–20 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no differences between the resource information presented in the Budget Papers and Portfolio Budget Statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

Revenue is credited to the Murray-Darling Basin special account from the following:

- Funding received through the Department of Agriculture and Water Resources for Basin Plan functions and the South-Australian Riverland Floodplain Integrated Infrastructure Project (refer below);
- Australian Government contribution to Murray-Darling Basin Agreement; and
- State and territory government contributions and miscellaneous revenue from other sources (for example, property revenues, hydro generation and sale of assets) for the Agreement functions.

Australian Government and state and territory government contributions to the Agreement functions, which are reflected as grants income in the financial statements and grants cash in the balance sheet, for 2018–19, represent estimates based on current advice from Basin jurisdictions.

Where appropriate, expenses, both employees and suppliers, have been adjusted to reflect the appropriations and changes in revenues resulting from any revised contributions to the joint programs.

The MDBA has budgeted for an operating deficit in 2018–19 and forward years which is impacted by the need to complete a number of joint programs (i.e. programs funded through non-appropriation receipts), including for river and environmental management programs and the residual components of the Environmental Works and Measures Program, for which funds have been retained in the Murray-Darling Basin special account.

Revenue from government includes the funding for the South-Australian Riverland Floodplain Integrated Infrastructure Project. The Project, with an estimated total cost of \$155.0 million, is planned to progress further over the next three years.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1 Comprehensive income statement (showing net cost of services) (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	39,022	41,355	40,621	39,661	40,658
Grants ^(a)	52,478	33,135	8,948	9,721	10,572
Depreciation and amortisation	1,656	1,656	1,656	1,656	1,656
Finance cost	32	32	32	32	32
Supplier	115,581	105,209	109,434	114,666	91,183
Total expenses	208,769	181,387	160,691	165,736	144,101
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Grants ^(b)	97,357	94,669	99,786	98,885	100,470
Royalties	1,100	700	700	700	700
Other	4,686	5,816	6,647	5,100	4,998
Total own-source revenue	103,143	101,185	107,133	104,685	106,168
Total own-source income	103,143	101,185	107,133	104,685	106,168
Net cost of (contribution by) services	(105,626)	(80,202)	(53,558)	(61,051)	(37,933)
Revenue from Government	94,200	75,628	45,558	39,486	37,933
Total revenue from Government	94,200	75,628	45,558	39,486	37,933
Surplus/(deficit) attributable to the					
Australian Government^(c)	(11,426)	(4,574)	(8,000)	(21,565)	-
Total comprehensive income/(loss)					
attributable to the Australian					
Government^(c)	(11,426)	(4,574)	(8,000)	(21,565)	-

(a) The amount includes payment to South Australia as part of \$155.0 million funding over seven years for South Australian Riverland Floodplain Integrated Infrastructure Program (SARFIIP) which commenced in 2013–14. Scheduled payment is \$43.5 million in 2018–19 and \$25.0 million in 2019–20. Other payments relates to grants paid to other jurisdictional sector, non-profit organisations and private sector.

(b) For 2019–20 and the forward years this amount is an estimate pending Ministerial Council's decision.

(c) The MDBA's operating loss is primarily the result of recommended accounting treatment for the special appropriation of \$441.5 million recognised as revenue during transition from Murray-Darling Basin Commission to MDBA in 2008–09.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	85,655	81,942	73,938	52,369	52,401
Trade and other receivables	3,423	3,423	3,423	3,423	3,423
Total financial assets	89,078	85,365	77,361	55,792	55,824
Non-financial assets					
Land and Buildings	4,945	4,945	4,945	4,945	4,945
Property, plant and equipment	2,561	2,561	2,561	2,561	2,561
Intangibles	924	7,484	9,406	10,233	10,233
Others	742	742	742	742	742
Total non-financial assets	9,172	15,732	17,654	18,481	18,481
Total assets	98,250	101,097	95,015	74,273	74,305
LIABILITIES					
Payables					
Suppliers	13,681	14,065	14,449	14,833	14,833
Other payables	5,102	4,682	4,262	3,842	3,842
Total payables	18,783	18,747	18,711	18,675	18,675
Provisions					
Employee provisions	10,231	10,231	10,231	10,231	10,231
Other provisions	1,272	1,304	1,336	1,368	1,400
Total provisions	11,503	11,535	11,567	11,599	11,631
Total liabilities	30,286	30,282	30,278	30,274	30,306
Net assets	67,964	70,815	64,737	43,999	43,999
EQUITY*					
Parent entity interest					
Contributed equity	(11,199)	(3,774)	(1,852)	(1,025)	(1,025)
Reserves	2	2	2	2	2
Retained surplus (accumulated deficit)	79,161	74,587	66,587	45,022	45,022
Total Equity	67,964	70,815	64,737	43,999	43,999

*'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Contribution equity/ capital	Total equity
	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019			
Balance carried forward from previous period	79,163	(11,199)	67,964
Adjusted opening balance	79,163	(11,199)	67,964
Comprehensive income			
Surplus (deficit) for the period	(4,574)	7,425	2,851
Total comprehensive income	(4,574)	7,425	2,851
Estimated closing balance as at 30 June 2020	74,589	(3,774)	70,815
Closing balance attributable to the Australian Government	74,589	(3,774)	70,815

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	94,200	75,628	45,558	39,486	37,933
Sale of goods and rendering of services	238	238	238	238	238
Grants cash received	97,357	94,669	99,786	98,885	100,470
Interest received	2,161	2,161	2,161	2,161	2,161
Net GST received	12,395	11,262	11,744	12,226	9,827
Other	3,309	4,039	4,870	3,323	3,221
Total cash received	209,660	187,997	164,357	156,319	153,850
Cash used					
Employees	39,022	41,355	40,621	39,661	40,658
Suppliers	127,934	116,429	121,136	126,850	100,932
Grants	52,478	33,135	8,948	9,721	10,572
Total cash used	219,434	190,919	170,705	176,232	152,162
Net cash from (used by) operating activities	(9,774)	(2,922)	(6,348)	(19,913)	1,688
FINANCING ACTIVITIES					
Cash received					
Contributed Equity	-	7,425	1,922	827	-
Total cash received	-	7,425	1,922	827	-
Net cash from (used by) financing activities	-	7,425	1,922	827	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	2,521	8,216	3,578	2,483	1,656
Total cash used	2,521	8,216	3,578	2,483	1,656
Net cash from (used by) investing activities	(2,521)	(8,216)	(3,578)	(2,483)	(1,656)
Net increase (decrease) in cash held	(12,295)	(3,713)	(8,004)	(21,569)	32
Cash and cash equivalents at the beginning of the reporting period	97,950	85,655	81,942	73,938	52,369
Cash and cash equivalents at the end of the reporting period	85,655	81,942	73,938	52,369	52,401

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by Capital Appropriation	865	6,560	1,922	827	-
Funded internally from departmental resources	1,656	1,656	1,656	1,656	1,656
TOTAL	2,521	8,216	3,578	2,483	1,656
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,521	8,216	3,578	2,483	1,656
Total cash used to acquire assets	2,521	8,216	3,578	2,483	1,656

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Land and Buildings	Other property, plant and equipment	Computer software and intangibles	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019				
Gross book value	5,651	3,110	8,820	17,581
Accumulated depreciation/amortisation and	(706)	(549)	(7,896)	(9,151)
Opening net book balance	4,945	2,561	924	8,430
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – other ^(a)	569	481	7,166	8,216
Total additions	569	481	7,166	8,216
Other movements				
Depreciation/amortisation expense	(569)	(481)	(606)	(1,656)
Total other movements	(569)	(481)	(606)	(1,656)
As at 30 June 2020				
Gross book value	6,220	3,591	15,986	25,797
Accumulated depreciation/amortisation and impairment	(1,275)	(1,030)	(8,502)	(10,807)
Closing net book balance	4,945	2,561	7,484	14,990

(a) Purchase of 'Other property, plant and equipment' and internally developed software (intangibles) are funded from internally funded resources and capital appropriations.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

The schedule of budgeted income and expenses administered on behalf of Government does not apply to the MDBA.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

The schedule of budgeted assets and liabilities administered on behalf of Government does not apply to the MDBA.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

The schedule of budgeted administered cash flows on behalf of Government does not apply to the MDBA.

REGIONAL INVESTMENT CORPORATION

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REGIONAL INVESTMENT CORPORATION

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Regional Investment Corporation (RIC) is a corporate Commonwealth entity established by the *Regional Investment Corporation Act 2018*. An independent Board oversees the RIC and is responsible for providing loans to eligible farm businesses and advising government on nationally significant water infrastructure projects.

The RIC streamlines the administration of concessional loans to farm businesses in need, delivering national consistency and ensuring loans are prudently assessed in a timely manner. Loans are targeted at farm businesses impacted by drought, those that mainly supply, or intend to mainly supply, products into supply chains that are interstate or overseas and those affected by major flooding events. The concessional loan programs support the long-term strength, resilience and profitability of eligible farm businesses by helping them prepare for, manage through and recover from periods of hardship brought about by drought or flood. The RIC concessional loans will also assist eligible farm businesses to take advantage of new and emerging opportunities across Australia and overseas by building and maintaining diversity in the markets they supply.

The RIC also provides independent advice to government on projects for consideration under the National Water Infrastructure Loan Facility (NWILF) and then deliver approved loans to the states and territories to fast-track the construction of priority water infrastructure projects. The NWILF is designed to assist state and territory government co-investment in vital water infrastructure. Loan funding aims to accelerate the construction of major water infrastructure projects such as dams, weirs, pipelines, managed groundwater (aquifer) recharge and wastewater reuse schemes that deliver broad public benefits, including through increased regional water availability and security for water users. Funding for the NWILF is appropriated to the Department of Infrastructure, Regional Development and Cities.

The RIC achieves this through its outcome:

Outcome 1: Encourage growth, investment and resilience in Australian farm businesses and rural and regional communities by delivering the Commonwealth's farm business concessional loans and the National Water Infrastructure Loan Facility.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Regional Investment Corporation – Resource Statement – Budget Estimates for 2019–20 as at Budget April 2019

	<i>2018–19 Estimated actual \$'000</i>	<i>2019–20 Estimate \$'000</i>
Opening balance/cash reserves at 1 July	-	-
Funds from Government		
Annual appropriations – ordinary annual services ^(a)		
Outcome 1	12,555	15,414
Total annual appropriations	12,555	15,414
Total funds from Government	12,555	15,414
Total net resourcing for RIC	12,555	15,414
	2018–19	2019–20
Average staffing level (number)	32	32

(a) Appropriation Bill (No. 1) 2019–20. Appropriation is provided through the Department of Agriculture and Water Resources and is specified within the Annual Appropriation Bills as a payment to the RIC.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

Prepared on a resourcing (i.e. appropriations available) basis.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Regional Investment Corporation are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Regional Investment Corporation 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Expense measures						
North Queensland Flood Recovery Package ^{(a),(b)}	1.1					
Administered expenses		-	-	-	-	-
Departmental expenses		-	2,463	754	755	760
Total		-	2,463	754	755	760
Total expense measures						
Administered		-	-	-	-	-
Departmental		-	2,463	754	755	760
Total		-	2,463	754	755	760

(a) The measure description appears in *Budget Paper No. 2: Budget Measures 2019–20* under Cross Portfolio.

(b) Funding for this measure passes through the Department of Agriculture and Water Resources to the RIC.

Prepared on a Government Finance Statistics (Fiscal) basis.

Part 2: Other measures not previously reported in a portfolio statement

RIC does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements — included in annual reports — to provide an entity's complete performance story.

The most recent corporate plan for the Regional Investment Corporation can be found at:

<http://www.ric.gov.au/SiteCollectionDocuments/ric-corporate-plan.pdf>.

The most recent annual report for the Regional Investment Corporation can be found at:

<http://www.ric.gov.au/about/reporting/annual-report>.

The RIC did not publish a corporate plan for the period of March to end June 2018, and there was no separate entry in the Portfolio Budget Statements for 2017-18.

Therefore, there were no performance measures to report against in the 2017-18 annual report.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Encourage growth, investment and resilience in Australian farm businesses and rural and regional communities by delivering the Commonwealth's farm business concessional loans and the National Water Infrastructure Loan Facility.

Linked programs

Department of Agriculture and Water Resources
Program: <ul style="list-style-type: none"> Program 1.11: Drought Programs
Contribution to Outcome 1 made by linked program: The Regional Investment Corporation works together with the Department of Agriculture and Water Resources to ensure more sustainable, productive, internationally competitive and profitable Australian agricultural industries.
Department of Infrastructure, Regional Development and Cities
Program: <ul style="list-style-type: none"> Program 3.1: Regional Development
Contribution to Outcome 3 made by linked program: The Regional Investment Corporation works with the Department of Infrastructure, Regional Development and Cities to support state and territory investment in water infrastructure that will provide affordable water to support the growth of regional economies.

2.1.1 Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1 Budgeted expenses for Outcome 1

Outcome 1: Encourage growth, investment and resilience in Australian farm businesses and rural and regional communities by delivering the Commonwealth's farm business concessional loans and the National Water Infrastructure Loan Facility.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Regional Investment Corporation					
Revenue from Government Ordinary annual services (Appropriation Bill (No. 1)) ^(a)	12,555	15,414	14,110	14,345	14,454
Total expenses for program 1.1	12,555	15,414	14,110	14,345	14,454
Outcome 1 totals by resource type					
Revenue from Government Ordinary annual services (Appropriation Bill (No. 1))	12,555	15,414	14,110	14,345	14,454
Total expenses for Outcome 1	12,555	15,414	14,110	14,345	14,454
	2018–19	2019–20			
Average staffing level (number)	32	32			

(a) The RIC is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the Department of Agriculture and Water Resources to the RIC.

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Encourage growth, investment and resilience in Australian farm businesses and rural and regional communities by delivering the Commonwealth’s farm business concessional loans and the National Water Infrastructure Loan Facility.		
Program 1.1: Regional Investment Corporation		
Objectives	<p>Provide practical support and investment to help rural and regional communities achieve economic growth, agricultural productivity and resilience through the delivery of farm business loans, flood recovery loans and water infrastructure loans.</p> <p>The Corporation’s farm business loans and flood recovery loans provide low-cost finance to farm businesses that are in financial need of assistance, to recover from short-term hardship, but are assessed as financially viable over the long-term and able to repay the loan.</p> <p>The Corporation administers water infrastructure loans to the states and territories to support long-term regional economic growth and development by investing in economically viable water infrastructure that will provide secure and affordable water.</p>	
Delivery	<p>Concessional loans are delivered directly to eligible farm businesses in a streamlined and nationally consistent way.</p> <p>Applications for water infrastructure loans from all states and territories are assessed and the achievement of project milestones monitored to enable loan instalments of funding.</p>	
Performance information		
Year	Performance criteria	Targets
2018–19	The entity is established with appropriate structures in place for the delivery of farm business loans and the assessment and administration of water loans.	Finalised.
2019–20	All eligible farm businesses have access to farm business loans and flood recovery loans.	Establishment of a nationally consistent delivery model.
	The water loan facility is available to states and territories.	No days are lost in the transfer of the administration of the loan facility to RIC.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2019–20 (continued)	Loan monies (farm business loans, flood recovery loans and water loans) are disbursed and received accurately and in line with contractual and legislative requirements.	100 per cent.
	Farm businesses improve their circumstances through access to concessional financial assistance.	\$500 million is made available to eligible farm businesses in need to improve their circumstances (2019–20 and beyond).
2020–21 and beyond	All eligible farm businesses have access to farm business loans and flood recovery loans.	Delivery channels ensure timely and accurate access to information and assessment for all eligible farm businesses.
	Loan monies (farm business loans, flood recovery loans and water loans) are disbursed and received accurately and in line with contractual and legislative requirements.	100 per cent.
	Farm businesses improve their circumstances through access to concessional financial assistance.	\$500 million is made available to eligible farm businesses in need to improve their circumstances (2019–20 and beyond).
	Greater capacity for regional and economic growth, water security and affordability and irrigation and agriculture.	States and territories can co-invest in projects. Approved water infrastructure projects complement the outcomes of the Murray Darling Basin Plan, where relevant. Approved water infrastructure projects are in accordance with the National Water Initiative.
Purpose	To provide loans that support the long-term strength, resilience and profitability of Australian farm businesses and for water infrastructure that will provide secure and affordable water supplies to support the growth of regional economies and communities.	

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

The Regional Investment Corporation is budgeting for a balanced budget position in 2019–20. The Corporation's expected employee and supplier expense budget is \$15.4 million in 2019–20 and \$14.1 million in 2020–21.

In 2019–20, the Corporation will continue to develop its corporate ability to support the provision of loans to eligible farm businesses and advice to government on nationally significant water infrastructure projects. It will be the first full financial year the Corporation will be staffed by its own ongoing workforce.

The expense budget reflects the work programs for the Corporation in receiving and evaluating loan applications and managing approved loans to eligible farm businesses, as well as evaluating projects for consideration under the National Water Infrastructure Loan Facility, providing independent advice to the Government and delivering approved loans to the states and territories.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1 Comprehensive income statement (showing net cost of services) (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	2,130	4,148	4,173	4,197	4,233
Supplier	10,425	11,266	9,937	10,148	10,221
Total expenses	12,555	15,414	14,110	14,345	14,454
Net cost of (contribution by) services	(12,555)	(15,414)	(14,110)	(14,345)	(14,454)
Revenue from Government ^(a)	12,555	15,414	14,110	14,345	14,454
Total revenue from Government	12,555	15,414	14,110	14,345	14,454
Surplus/(deficit) attributable to the Australian Government	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-	-	-	-	-

(a) The RIC is a corporate Commonwealth entity (CCE) under the PGPA Act and does not receive direct appropriations. Instead, this funding passes through the department to the RIC.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	7,180	7,261	7,287	7,304	7,318
Trade and other receivables	7	7	7	7	7
Total financial assets	7,187	7,268	7,294	7,311	7,325
Non-financial assets					
Intangibles	-	-	-	337	337
Total non-financial assets	-	-	-	337	337
Total assets	7,187	7,268	7,294	7,648	7,662
LIABILITIES					
Payables					
Suppliers	319	335	350	357	360
Other payables	31	50	60	70	81
Total payables	350	385	410	427	441
Provisions					
Employee provisions	47	93	94	94	94
Total provisions	47	93	94	94	94
Total liabilities	397	478	504	521	535
Net assets	6,790	6,790	6,790	7,127	7,127
EQUITY*					
Parent entity interest					
Contributed equity	-	-	-	337	337
Retained surplus (accumulated deficit)	6,790	6,790	6,790	6,790	6,790
Total Equity	6,790	6,790	6,790	7,127	7,127

*'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity—summary of movement
(Budget year 2019–20)**

	Contribution equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2019		
Balance carried forward from previous period	6,790	6,790
<i>Adjusted opening balance</i>	6,790	6,790
Estimated closing balance as at 30 June 2020	6,790	6,790
Closing balance attributable to the Australian Government	6,790	6,790

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Receipts from Government	12,555	15,414	14,110	14,345	14,454
Total cash received	12,555	15,414	14,110	14,345	14,454
Cash used					
Employees	2,058	4,083	4,162	4,187	4,222
Suppliers	10,334	11,250	9,922	10,141	10,218
Total cash used	12,392	15,333	14,084	14,328	14,440
Net cash from (used by) operating activities	163	81	26	17	14
INVESTING ACTIVITIES					
Cash used					
Purchase of non-financial assets	-	-	-	337	-
Total cash used	-	-	-	337	-
Net cash from (used by) investing activities	-	-	-	(337)	-
FINANCING ACTIVITIES					
Cash received					
Contributed equity	-	-	-	337	-
Total cash received	-	-	-	337	-
Net cash from (used by) financing activities	-	-	-	337	-
Net increase (decrease) in cash held	163	81	26	17	14
Cash and cash equivalents at the beginning of the reporting period	7,017	7,180	7,261	7,287	7,304
Cash and cash equivalents at the end of the reporting period	7,180	7,261	7,287	7,304	7,318

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Equity injections - Bill 2	-	-	-	337	-
Total new capital appropriations	-	-	-	337	-
Provided for:					
Purchase of non-financial assets	-	-	-	337	-
Total items	-	-	-	337	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	-	-	-	337	-
TOTAL	-	-	-	337	-
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	-	-	-	337	-
Total cash used to acquire assets	-	-	-	337	-

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2019–20)

The statement of asset movements (Budget year 2019–20) does not apply to the RIC for this Budget update.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

The schedule of budgeted income and expenses administered on behalf of Government does not apply to the RIC.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

The schedule of budgeted assets and liabilities administered on behalf of Government does not apply to the RIC.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

The schedule of budgeted administered cash flows on behalf of Government does not apply to the RIC.

WINE AUSTRALIA

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WINE AUSTRALIA

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

Wine Australia supports a prosperous Australian grape and wine community by investing in research and development (R&D), disseminating knowledge, encouraging adoption, building international and domestic markets, and protecting the reputation of Australian wine. We are governed by the *Wine Australia Act 2013* (Wine Australia Act).

Our role under the Wine Australia Act is to:

- Coordinate or fund grape and wine research and development and facilitate the dissemination, adoption and commercialisation of the results;
- Control the export of wine from Australia; and
- Promote the sale and consumption of wine, both in Australia and overseas.

We are funded by grape growers and winemakers through levies and user-pays charges; and by the Australian Government, which provides matching funding for research, development and extension (RD&E) investments.

Australian wine is a unique, high-quality product crafted in 65 wine regions around the country. The Australian wine sector has approximately 6,251 grape growers, 132,393 hectares of vines, 2,468 wineries and produces 1.3 billion litres of wine. In 2015, independent economic research quantified the Australian grape and wine sector's contribution to the national economy. The wine sector—defined as grape growing, winemaking and wine-related tourism—supported 172,736 full-time and part-time jobs, most of which are in regional Australia, and contributed \$40.2 billion to the value of gross output to the Australian economy.

Our goal is a prosperous Australian grape and wine community. In 2019–20, we will invest in RD&E, regulatory services and marketing to support our two strategic priorities that are outlined in our five-year *Strategic Plan 2015–2020*.

Our priorities are:

- Increasing demand and the premium paid for all Australian wine; and
- Increasing competition.

This will be the fifth year of operation with these priorities. International demand for fine Australian wine grew strongly in 2018, with an increase in wine exports of 10 per cent in value to \$2.82 billion free on board (FOB) and a 5 per cent increase in volume to 850 million litres (94 million 9-litre case equivalents). There are 21.7 million glasses of Australian wine enjoyed overseas each day. Average value increased to \$3.32 per litre FOB. The average value of bottled wine grew 10 per cent to a record \$6.20 per litre FOB. The value of exports above \$10 per litre grew by 22 per cent to a record \$895 million. There were a record 2,543 active exporters in 2018, a 15 per cent increase on the previous year, and Australian wine was exported to 129 destinations.

Our marketing investments are focused on our strategy of Promoting Australia wine in the Asia Pacific, China, North America, the United Kingdom and Europe.

In 2019–20, we will deliver the final year of the Export and Regional Wine Support Package under the Ten Year Enterprise Tax Plan – wine equalisation tax rebate integrity and wine tourism funding. The \$50 million program is focused on wine promotion both internationally and domestically. Initiatives will benefit regional wine producers and assist export-focused businesses to continue to grow. We will also administer the Wine Tourism and Cellar Door Grant that commences in 2019–20.

Our regulatory services activities are focused on our strategy of Protecting the reputation of Australian wine by licensing exporters, issuing permits for Australian wine and brandy exports, auditing label integrity to prevent false and misleading labelling and, through the Geographical Indications Committee, defining the wine grape producing regions of Australia.

Our R&D investments are focused on seven core strategies:

- Building Australian grape and wine excellence;
- Improving resource management and sustainability;
- Improving vineyard performance;
- Improving winery performance;
- Enhancing market access;
- Building capability; and
- Business intelligence and measurement.

Our extension and adoption strategy encourages practice change by extending new knowledge so that stakeholders benefit from R&D outcomes.

We also work closely with other research and development corporations (RDCs) in cross-sectoral collaborative research, including through the Australian Government's Rural Research and Development for Profit program, to deliver RD&E benefits to the broader community.

Since 2015–16, we have been collecting the Wine Export Charge on behalf of the Australian Government. This streamlined the payment process for companies that pay the charge. In 2019–20, we will continue to investigate ways to reduce the time spent on compliance for our levy payers. We will also work with the Department of Agriculture and Water Resources and other RDCs to establish a register of all our levy payers.

Continued successful investment in the development of the Australian wine sector will see the sector further improve its competitiveness and financial sustainability.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Wine Australia – Resource Statement – Budget Estimates for 2019–20 as at April 2019

	2018–19 Estimated actual \$'000	2019–20 Estimate \$'000
Opening balance/cash reserves at 1 July	2,656	5,054
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department ^(a)	18,438	26,400
Total amounts received from related entities	18,438	26,400
Special appropriations^(b)		
Wine Australia Act 2013, s. 32 – payments to the Authority	33,357	33,032
Total special appropriations	33,357	33,032
Total funds from Government	51,795	59,432
Funds from industry sources		
Levies ^(c)	19,857	19,532
less amounts paid to the CRF	(19,857)	(19,532)
Total funds from industry sources	-	-
Funds from other sources		
Interest	440	189
Other	9,525	10,380
Total funds from other sources	9,965	10,569
Total net resourcing for Wine Australia	64,416	75,055
	2018–19	2019–20
Average staffing level (number)	53	53

(a) Funding provided by the portfolio department that is not specified within the Annual Appropriation Bills as a payment to that corporate entity (for example, a grant awarded to a corporate entity from one of its portfolio department's administered programs).

(b) Wine Australia is not directly appropriated as it is a Corporate Commonwealth Entity (CCE) under the PGPA Act. Appropriations are made to the Department of Agriculture and Water Resources and then paid to Wine Australia and are considered departmental for all purposes.

(c) Levies comprise the Grape Research Levy and the Wine Grapes Levy, imposed by the *Primary Industries (Excise) Levies Act 1999* and *Primary Industries (Customs) Charges Act 1999*.

CRF – Consolidated Revenue Fund

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Wine Australia are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Wine Australia 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

Wine Australia does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

Wine Australia does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in annual reports – to provide an entity's complete performance story.

The most recent corporate plan for Wine Australia can be found at:

<https://www.wineaustralia.com/getmedia/cf1b4573-7576-46ca-95ae-a02473d0ea14/Wine-Australia-Strategic-Plan-2015-2020-Dec-2017.pdf>.

The most recent annual performance statement for Wine Australia can be found at:

https://www.wineaustralia.com/getmedia/b608cec1-85be-452c-b61b-4dd7e01cfcca/WA_PER_17-18_v3.pdf.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Foster and enable a competitive Australian wine industry by investing in research and development, building markets, disseminating knowledge and ensuring compliance.

Linked programs

Department of Agriculture and Water Resources
Program: <ul style="list-style-type: none"> Program 1.10: Agricultural Resources
Contribution to Outcome 1 made by linked program: Wine Australia and the Department of Agriculture and Water Resources work together to ensure a sustainable, productive and profitable grape and wine sector.
Department of the Treasury
Program: <ul style="list-style-type: none"> Program 1.3: Support for markets and business
Contribution to Outcome 1 made by linked program: Wine Australia delivers the Export and Regional Wine Support Package under the Department of the Treasury's Ten Year Enterprise Tax Plan – wine equalisation tax rebate integrity and wine tourism funding. This promotes wine and assists export-focused businesses to continue to grow. It will also benefit regional wine producers and their communities through increasing wine tourism. Wine Australia will also administer the Wine Tourism and Cellar Door Grant, which commences in 2019–20.

2.1.1 Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Table 2.2.1 Budgeted expenses for Outcome 1

Outcome 1: Foster and enable a competitive Australian wine industry by investing in research and development, building markets, disseminating knowledge and ensuring compliance.					
	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Wine Australia					
Revenue from Government					
Payment from related entities	18,438	26,400	10,329	10,050	10,050
Special appropriations					
<i>Wine Australia Act 2013</i> , s. 32 – payments to the Authority	33,357	33,032	33,130	33,193	31,990
Revenues from other independent sources	11,515	12,444	10,826	9,718	8,694
Total expenses for program 1.1	63,310	71,876	54,285	52,961	50,734
Outcome 1 totals by resource type					
Revenue from Government					
Payment from related entities	18,438	26,400	10,329	10,050	10,050
Special appropriations	33,357	33,032	33,130	33,193	31,990
Revenues from other independent sources	11,515	12,444	10,826	9,718	8,694
Total expenses for Outcome 1	63,310	71,876	54,285	52,961	50,734
	2018–19	2019–20			
Average staffing level (number)	53	53			

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

As an entity established under the Wine Australia Act, Wine Australia does not produce a Corporate Plan under the PGPA Act and is therefore exempt from the requirement to map purposes to outcomes.

Outcome 1: Foster and enable a competitive Australian wine industry by investing in research and development, building markets, disseminating knowledge and ensuring compliance.	
Program 1.1: Wine Australia	
Objective	Invest in research and development, building markets, disseminating knowledge and ensuring compliance to foster and enable a competitive Australian wine sector.
Delivery	<p>We will invest in research and development (R&D) in the seven strategic areas outlined in our Strategic Plan 2015–2020 for the benefit of wine grape growers, winemakers, wine businesses and the wider community.</p> <p>We will invest in marketing to promote Australian wine and grow international markets.</p> <p>We will invest in regulatory services to protect the reputation of Australian wine.</p> <p>We will support grape and wine businesses with market insights that allow them to make effective decisions.</p>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria	Targets
2018–19	RD&E	
	R&D projects are funded in line with the Annual Operational Plan (AOP).	100 per cent.
	Contracts are actively managed through regular and ongoing monitoring of the research.	100 per cent.
	RD&E newsletter has more subscribers.	2,500
	The number of Regional Program partners is maintained.	11
	Marketing	
	Export and Regional Wine Support Package activities are completed in line with the funding agreement.	100 per cent.
	Wineries and distributors who participate in Wine Australia events report that they are satisfied.	At least 90 per cent.
	Market insights	
	Improvement in customer satisfaction rating for market insights services.	75 per cent.
	Regulatory services	
	Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine.	300 audits.
	Market export guides provide accurate information about import requirements for largest export markets.	33 guides.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2019–20	RD&E	
	Projects are funded in line with the AOP.	100 per cent.
	Contracts are actively managed through regular and ongoing monitoring of the research.	100 per cent.
	RD&E newsletter has more subscribers.	2,700
	The number of Regional Program partners is maintained.	11
	Marketing	
	Export and Regional Wine Support Package activities are completed in line with the funding agreement.	100 per cent.
	Wineries and distributors who participate in Wine Australia events report that they are satisfied.	At least 90 per cent.
	Market insights	
	Improvement in customer satisfaction rating for market insights services.	75.5 per cent.
	Regulatory services	
	Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine.	250 on-site audits and targeted product audits.
	Market export guides provide accurate information about import requirements for largest export markets.	36 markets.

Continued on following page

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria	Targets
2020–21 and beyond	RD&E	
	Projects are funded in line with the AOP.	100 per cent.
	Contracts are actively managed through regular and ongoing monitoring of the research.	100 per cent.
	RD&E newsletter has more subscribers.	(2020–21) 2,800. (2021–22) 2,900. (2022–23) 3,000.
	The number of Regional Program partners is maintained.	11
	Marketing	
	Wineries and distributors who participate in Wine Australia events report that they are satisfied.	At least 90 per cent.
	Market insights	
	Customer satisfaction rating for services.	(2020–21) 76.0 per cent. (2021–22) 76.5 per cent. (2022–23) 77.0 per cent.
	Regulatory services	
	Risk-based audits reinforce a culture of compliance and help protect the reputation of Australian wine.	250 on-site audits and targeted product audits.
	Market export guides provide accurate information about import requirements for largest export markets.	36 markets.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

There are no differences between the entity resourcing and financial statements.

3.1.2 Explanatory notes and analysis of budgeted financial statements

The Budget incorporates the contracted and committed research, development and extension activities, the anticipated marketing programs and statutory duties.

Wine Australia receives levies on the tonnage of fruit grown (Grape Research Levy); grape products used in the manufacture of wine (Wine Grapes Levy); and on the value of wine exported (Wine Export Charge). Revenue from these levies is expected to be approximately \$19.5 million for the 2019–20 year, based on an expected 2019 vintage of 1.75 million tonnes.

RD&E expenditure attracts Commonwealth matching funding, which is calculated in accordance with the provisions of the *Primary Industries Research and Development Act 1989* (PIRD Act).

Other major sources of revenue are export licence and associated fees, promotional user-pays events, export partnership sponsorships and Australian Wine Overseas scheme sales.

Wine Australia is receiving additional revenue from government of \$50.0 million from 2016–17 to 2019–20 for the measure Ten Year Enterprise Tax Plan—wine equalisation tax rebate integrity and wine tourism funding.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1 Comprehensive income statement (showing net cost of services)
(for the period ended 30 June)**

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	12,418	13,297	10,670	10,670	10,670
Supplier	21,365	22,246	10,349	10,744	10,793
Grants	28,968	34,878	31,768	30,113	27,937
Other	1	1	1	1	1
Depreciation and amortisation	558	1,454	1,497	1,433	1,333
Total expenses	63,310	71,876	54,285	52,961	50,734
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Interest	439	196	72	48	24
Sale of goods and rendering of services	9,076	10,248	8,754	8,670	8,670
Total own-source revenue	9,515	10,444	8,826	8,718	8,694
Total own-source income	9,515	10,444	8,826	8,718	8,694
Net cost of (contribution by) services	53,795	61,432	45,459	44,243	42,040
Revenue from Government ^(a)					
Commonwealth contribution	13,500	13,500	13,500	13,500	12,250
Industry contributions	19,857	19,532	19,630	19,693	19,740
Other	18,438	26,400	10,329	10,050	10,050
Total revenue from Government	51,795	59,432	43,459	43,243	42,040
Surplus/(deficit) attributable to the Australian Government	(2,000)	(2,000)	(2,000)	(1,000)	-
Total comprehensive income/(loss) attributable to the Australian Government	(2,000)	(2,000)	(2,000)	(1,000)	-

(a) Revenue from Government includes a Commonwealth contribution under the PIRD Act and levies collected from industry by the Department of Agriculture Water and Resources for research and development and marketing activities.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5,054	3,341	2,391	2,384	3,492
Trade and other receivables	2,731	2,605	2,560	2,560	2,560
Other investments	10,393	10,330	10,330	10,330	10,330
Total financial assets	18,178	16,276	15,281	15,274	16,382
Non-financial assets					
Land and buildings	76	33	-	-	-
Property, plant and equipment	449	326	119	109	44
Intangibles	4,454	5,316	4,301	3,118	1,960
Other	1,407	968	968	968	968
Total non-financial assets	6,386	6,643	5,388	4,195	2,972
Total assets	24,564	22,919	20,669	19,469	19,354
LIABILITIES					
Payables					
Suppliers	1,486	1,706	1,456	1,256	1,141
Grants	347	311	311	311	311
Other	137	317	317	317	317
Total payables	1,970	2,334	2,084	1,884	1,769
Provisions					
Employee provisions	1,297	1,288	1,288	1,288	1,288
Other provisions	95	95	95	95	95
Total provisions	1,392	1,383	1,383	1,383	1,383
Total liabilities	3,362	3,717	3,467	3,267	3,152
Net assets	21,202	19,202	17,202	16,202	16,202
EQUITY*					
Parent entity interest					
Retained surplus (accumulated deficit)	21,202	19,202	17,202	16,202	16,202
Total Equity	21,202	19,202	17,202	16,202	16,202

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

**Table 3.3: Departmental statement of changes in equity – summary of movement
(Budget year 2019–20)**

	Retained earnings	Total equity
	\$'000	\$'000
Opening balance as at 1 July 2019		
Balance carried forward from previous period	21,202	21,202
Adjusted opening balance	21,202	21,202
Comprehensive income		
Surplus (deficit) for the period	(2,000)	(2,000)
Total comprehensive income	(2,000)	(2,000)
Estimated closing balance as at 30 June 2020	19,202	19,202
Closing balance attributable to the Australian Government	19,202	19,202

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	440	189	72	48	24
Grants	51,795	59,432	43,459	43,243	42,040
Net GST received	3,892	3,530	2,698	2,603	2,603
Other	9,013	6,850	6,100	6,066	6,066
Total cash received	65,140	70,001	52,329	51,960	50,733
Cash used					
Employees	12,233	13,306	10,670	10,670	10,670
Suppliers	24,739	22,026	10,599	10,944	10,908
Grants	28,156	34,295	31,768	30,113	27,937
Total cash used	65,128	69,627	53,037	51,727	49,515
Net cash from (used by) operating activities	12	374	(708)	233	1,218
INVESTING ACTIVITIES					
Cash received					
Investments	20,000	12,000	10,000	10,000	10,000
Total cash received	20,000	12,000	10,000	10,000	10,000
Cash used					
Investments	14,153	11,937	10,000	10,000	10,000
Purchase of property, plant and equipment	3,461	2,150	242	240	110
Total cash used	17,614	14,087	10,242	10,240	10,110
Net cash from (used by) investing activities	2,386	(2,087)	(242)	(240)	(110)
Net increase (decrease) in cash held	2,398	(1,713)	(950)	(7)	1,108
Cash and cash equivalents at the beginning of the reporting period	2,656	5,054	3,341	2,391	2,384
Cash and cash equivalents at the end of the reporting period	5,054	3,341	2,391	2,384	3,492

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Funded internally from departmental resources ^(a)	3,461	2,150	242	240	110
TOTAL	3,461	2,150	242	240	110
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	3,461	2,150	242	240	110
Total cash used to acquire assets	3,461	2,150	242	240	110

(a) Includes the following source of funding:
– internally developed assets.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Land and buildings \$'000	Other property, plant and equipment \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2019				
Gross book value	981	1,349	6,243	8,573
Accumulated depreciation/amortisation and impairment	(905)	(900)	(1,789)	(3,594)
Opening net book balance	76	449	4,454	4,979
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase – other	-	150	2,000	2,150
Total additions	-	150	2,000	2,150
Other movements				
Depreciation/amortisation expense	(43)	(273)	(1,138)	(1,454)
Total other movements	(43)	(273)	(1,138)	(1,454)
As at 30 June 2020				
Gross book value	981	1,499	8,243	10,723
Accumulated depreciation/amortisation and impairment	(948)	(1,173)	(2,927)	(5,048)
Closing net book balance	33	326	5,316	5,675

Prepared on Australian Accounting Standards basis.

AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

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AUSTRALIAN FISHERIES MANAGEMENT AUTHORITY

Section 1: Entity overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Fisheries Management Authority (AFMA) was established under the *Fisheries Administration Act 1991* (FAA) to manage Australia's Commonwealth fisheries on behalf of the Australian community in accordance with the *Fisheries Management Act 1991* (FMA).

The AFMA Commission is responsible for exercising AFMA's domestic fisheries management functions and powers under the FAA and FMA. The Chief Executive Officer (CEO) of AFMA is responsible for assisting the Commission, including giving effect to its decisions and is also a Commissioner. The CEO is also responsible for exercising AFMA's foreign compliance functions, is the accountable authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the agency head for the purposes of the *Public Service Act 1999*.

AFMA's legislated functions and objectives require the pursuit of efficient and cost effective fisheries management consistent with the principles of ecologically sustainable development (ESD), including the precautionary principle, and maximising the net economic returns to the Australian community from the management of Commonwealth fisheries. As part of its consideration of ESD, AFMA is seeking to increase its understanding of, and ways to account for, social impacts of its management decisions. Following initial public consultation, AFMA proposes to release a position statement in mid-2019 to provide transparency about how AFMA currently considers the social aspects of the ESD principles in the management of Commonwealth fisheries. The statement will evolve over time reflecting changing stakeholder expectations, emerging market requirements and changes in AFMA's operating environment.

AFMA is to have regard to the impact of fishing on non-target species and on the long-term sustainability of the marine environment as well as taking into account the interests of commercial, recreational and Indigenous fishers in the management of Commonwealth fisheries. AFMA is implementing new Fisheries Management Strategies following the release of the Commonwealth Fisheries Harvest Strategy and the Commonwealth Bycatch Policy in November 2018 with a focus on improving fishery management performance. AFMA continues to improve the understanding of the impacts of climate change through the project: Adaptation of Commonwealth Fisheries Management to Climate Change, with CSIRO as the co-investigator. The project assesses how well Commonwealth fisheries management will cope with the projected impacts of climate change. A diverse array of stakeholders will generate priorities, strategies and recommendations for adaptation by Commonwealth fisheries management.

AFMA delivers a range of regulatory services to the Commonwealth fishing industry through fisheries management arrangements, compliance programs, licensing services and develops operational policies and regulations. AFMA uses information gained from scientific research and its own monitoring activities to identify Australian marine living resources potentially affected by Commonwealth fisheries and implements measures to pursue sustainable fishing.

AFMA's role includes developing and implementing risk-based domestic compliance programs, participating in the Australian Government's civil maritime surveillance and response arrangements and engaging internationally to improve the management of fish stocks beyond the Australian Fishing Zone. Activities include education, enforcement and vessel disposal activities to protect Commonwealth fisheries from illegal fishing, participation in international fora to provide specialist advice and delivering capacity building programs to deter illegal, unreported and unregulated fishing beyond Australia's borders.

AFMA also provides fisheries management and domestic compliance services for the Protected Zone Joint Authority (PZJA) under the *Torres Strait Fisheries Act 1984* (TSFA). Decisions under this legislation are made by the PZJA, which comprises the Commonwealth as Chair, and the Torres Strait Regional Authority and the Queensland Government as other members. The key objectives of the TSFA are to acknowledge and protect the traditional way of life and livelihood of traditional inhabitants, including their rights in relation to traditional fishing and to protect and preserve the marine environment and fauna and flora in, and in the vicinity of, the Protected Zone. The Torres Strait Fisheries (Quotas for Tropical Rock Lobster (Kaiar)) Management Plan 2018 provides for the setting of sustainable harvest limits for Tropical Rock Lobster and for the allocation of quota for commercial fishing for Tropical Rock Lobster between traditional inhabitants and non-traditional commercial fishers.

When developing and implementing fisheries management arrangements, AFMA works in partnership with the public and key stakeholders, including commercial fishing operators, the prescribed peak industry body, sectoral industry associations, Indigenous communities, recreational and charter fishing representatives, researchers, environment/conservation organisations, state and territory agencies and others with an interest in Commonwealth fisheries management. AFMA engages with stakeholder groups through management advisory committees, resource assessment groups, scientific panels, working groups, liaison meetings, port visits, and electronic newsletters to concession holders in Commonwealth fisheries. AFMA consults with the public on the development of, and amendments to, fishery management plans, using contemporary digital, web and social media communication channels.

In managing Commonwealth fisheries, AFMA applies the Australian Government's cost recovery policy through its Cost Recovery Implementation Statement (CRIS). The Commonwealth commercial fishing industry pays for activities directly attributed to, and recoverable from, the fishing industry while the Government pays for compliance and enforcement activities that benefit the broader community. AFMA conducts periodic reviews of its cost-recovered activities and where applicable, applies technological and other solutions to reduce and to help minimise costs and improve efficiency in the delivery of its regulatory services to the Commonwealth fishing industry.

To fulfil its functions, AFMA commissions and places a high importance on scientific and economic research and risk assessments to inform its decision making.

AFMA's goals and strategies are aimed at continuing to deliver ecologically sustainable and economically efficient Commonwealth fisheries over the current and forecast period.

Our purpose

The ecologically sustainable development of Commonwealth fisheries for the benefit of the Australian community.

1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources. The table summarises how resources will be applied by outcome and by administered and departmental classification.

Table 1.1: Australian Fisheries Management Authority – Resource Statement – Budget Estimates for 2019–20 as at April 2019

	2018–19 ^(a) Estimated actual \$'000	2019–20 Estimate \$'000
Departmental		
Annual appropriations – ordinary annual services^(b)		
Outcome 1	20,517	20,345
Section 74 external revenue ^(c)	3,105	2,328
Prior year appropriations available ^(d)	14,238	8,261
Total departmental annual appropriations	37,860	30,934
Special accounts^(e)		
Appropriation receipts ^(f)	20,677	20,345
Non-appropriation receipts	14,300	14,520
Total special account receipts	34,977	34,865
<i>less departmental appropriations drawn from annual/special appropriations and credited to special accounts</i>	<i>(20,677)</i>	<i>(20,345)</i>
Total departmental resourcing	52,160	45,454
Administered		
Annual appropriations – ordinary annual services^(b)		
Outcome 1	5,506	5,588
Total administered annual appropriations	5,506	5,588
Total administered resourcing	5,506	5,588
Total resourcing for AFMA	57,666	51,042
	2018–19	2019–20
Average staffing level (number)	177	177

(a) Annual appropriation amounts appearing for 2018–19 do not include the Appropriation Bills (No. 3) and (No. 4) 2018–19, as they had not been enacted at the time of publication. For AFMA, the Bills include \$0.172 million in departmental appropriation.

(b) Appropriation Bill (No. 1) 2019–20.

(c) Estimated retained revenue receipts under section 74 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

(d) These amounts reflects opening special account balances only.

(e) For further information on special appropriations and special accounts, please refer to *Budget Paper No. 4 – Agency Resourcing*. Please also see Table 2.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(f) Amounts credited to the special account(s) from entity AFMA's annual appropriations.

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Australian Fisheries Management Authority are detailed in *Budget Paper No. 2: Budget Measures 2019–20* and are summarised below.

Table 1.2: Australian Fisheries Management Authority 2019–20 Budget measures

Part 1: Measures announced since the 2018–19 Mid-Year Economic and Fiscal Outlook (MYEFO)

AFMA does not have any 2019–20 Budget measures.

Part 2: Other measures not previously reported in a portfolio statement

AFMA does not have any measures not previously reported in a portfolio statement.

Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements — included in annual reports — to provide an entity's complete performance story.

The most recent corporate plan for the Australian Fisheries Management Authority can be found at:

<https://www.afma.gov.au/sites/default/files/uploads/2018/06/AFMA-Corporate-Plan-2018-21-FINAL.pdf>.

The most recent annual performance statement for the Australian Fisheries Management Authority can be found at:

<https://www.afma.gov.au/sites/default/files/uploads/2018/06/AFMA-Annual-Operational-Plan-2018-19-FINAL.pdf>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Outcome 1: Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia's marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.

Linked programs

Department of Agriculture and Water Resources
Programs: <ul style="list-style-type: none"> Program 1.4: Fishing Industry Program 2.1: Biosecurity and Export Services
Contribution to Outcome 1 made by linked program: The Australian Fisheries Management Authority and Department of the Agriculture and Water Resources engage on fisheries management to ensure a sustainable, productive and profitable fishing industry.
Department of the Environment and Energy
Program: <ul style="list-style-type: none"> Program 1.4: Conservation of Australia's Heritage and the Environment
Contribution to Outcome 1 made by linked program: The Australian Fisheries Management Authority and Department of the Environment and Energy engage on fisheries management to ensure a sustainable, productive and profitable fishing industry.
Department of Home Affairs
Program: <ul style="list-style-type: none"> Program 1.1: Border Enforcement
Contribution to Outcome 1 made by linked program: The Australian Fisheries Management Authority provides the fisheries focus within the Australian Government Civil Maritime Surveillance and Response Program and is responsible for the administration of legislation on illegal fishing in the Australian Fishing Zone. AFMA deters and prevents illegal foreign fishing by carrying out education programs, cooperative enforcement operations, prosecution of offenders, confiscation of boats and capacity building projects.

2.1.1 Budgeted expenses for Outcome 1

This table shows how much the entity intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by administered and departmental funding sources.

Table 2.2.1 Budgeted expenses for Outcome 1

Outcome 1: Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia's marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
Program 1.1: Australian Fisheries Management Authority					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))					
Illegal Foreign Fishing Vessel Caretaking and Disposal	5,506	5,588	5,683	5,838	5,881
Departmental expenses					
Departmental appropriation ^(a)	24,825	22,263	22,444	23,035	23,229
Special account					
AFMA Special account	14,300	14,520	14,665	14,812	14,960
Expenses not requiring appropriation in the Budget year ^(b)	1,599	1,573	1,711	1,511	1,486
Total expenses for program 1.1	46,230	43,944	44,503	45,196	45,556

Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation Bill (No. 1))	5,506	5,588	5,683	5,838	5,881
Departmental expenses					
Departmental appropriation ^(a)	24,825	22,263	22,444	23,035	23,229
Special account	14,300	14,520	14,665	14,812	14,960
Expenses not requiring appropriation in the Budget year ^(b)	1,599	1,573	1,711	1,511	1,486
Total expenses for Outcome 1	46,230	43,944	44,503	45,196	45,556

	2018–19	2019–20
Average staffing level (number)	177	177

(a) Expenses funded from both 'ordinary annual services' (Appropriation Bill No. 1 2019–20) and 'revenue from independent sources' (section 74 of the PGPA Act).

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, and audit fees.

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as Government priorities change.

2.1.2 Performance criteria for Outcome 1

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2019–20 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Ecologically sustainable and economically efficient Commonwealth fisheries, through understanding and monitoring Australia’s marine living resources and regulating and monitoring commercial fishing, including domestic licensing and deterrence of illegal foreign fishing.	
Program 1.1 – Australian Fisheries Management Authority	
Objective	The ecologically sustainable development of Commonwealth fisheries for the benefit of the Australian community.
Delivery	<p>AFMA manages Commonwealth fisheries resources consistent with principles of ecological sustainable development by:</p> <ul style="list-style-type: none"> Developing management arrangements that: : <ul style="list-style-type: none"> Support the implementation of Commonwealth fisheries policies including the Harvest Strategy and Bycatch Policies; Implement AFMA’s revised Ecological Risk Management Framework; Recover overfished stocks and prevent overfishing; and Ensure commercial, recreational and Indigenous fishing information is used in decision making. Investing in and applying scientific and economic research to decision making on fish stocks, sub-stocks, species (target and non-target species) and the impact of fishing on the marine environment. <p>AFMA maximises the net economic returns to the Australian community from the management of Commonwealth fisheries by:</p> <ul style="list-style-type: none"> Reviewing management arrangements to take into account commercial, recreational and Indigenous fishing interests when maximising net economic returns from the commercial sector. Increasing catch levels within sustainable total allowable catches (TACs) by conducting and considering implementation of research focussed on under caught TACs. Managing exploratory fisheries (potentially underutilised fisheries). Understanding impacts of resource allocation between commercial, recreational and Indigenous fishers.

Continued on following pages

Contributions to Outcome 1 (continued)

Program 1.1 – Australian Fisheries Management Authority (continued)	
Delivery (continued)	<p>AFMA ensures compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards by:</p> <ul style="list-style-type: none"> • Operating an effective compliance and enforcement regime encompassing: <ul style="list-style-type: none"> ○ Measures to maximise voluntary compliance; ○ Risk-based, intelligence driven, and targeted domestic operations; and ○ Building and maintaining strategic links and relationships with relevant law enforcement agencies. • Operating effective foreign fisheries compliance enforcement and capacity building by: <ul style="list-style-type: none"> ○ Implementing strategies to deter and eliminate illegal, unreported and unregulated (IUU) foreign fishing in Australian waters and on the high seas where Australia has an interest; and ○ Delivering capacity building programs internationally and supporting key regional and international fishing bodies. <p>AFMA delivers effective, cost efficient and accountable management of Commonwealth fisheries resources by:</p> <ul style="list-style-type: none"> • Pursuing ministerial directives and government initiatives to improve regulation and administration generally in the Australian Government sector including: <ul style="list-style-type: none"> ○ Exploring opportunities to streamline fisheries assessment and management processes; and ○ Implementing new fisheries policies for harvest strategies and bycatch to improve fishery management performance. • Reviewing business processes and systems, information flows and financial management arrangements through: <ul style="list-style-type: none"> ○ Assessing and mitigating high financial and operating risks; and ○ Developing an e-business plan that considers cost effective and efficient use of electronic systems for logbooks, monitoring and licensing. • Increasing AFMA accountability and stakeholder engagement through: <ul style="list-style-type: none"> ○ Expanded membership of management advisory committees (MACs) and resource assessment groups (RAGs); and ○ Capability development for recreational and Indigenous stakeholders.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information		
Year	Performance criteria^(a)	Targets
2018–19	1. Complete an Ecological Risk Assessment (ERA) and Fisheries Management Strategy (FMS) for each fishery every five years. (Number of fisheries). ^(b)	5
	2. The number of high risk rated species from ERAs declines.	88
	3. Fisheries reporting on general bycatch quantity ^(c) each year. (Number of fisheries).	5
	4. Fisheries reporting decreasing volume of general bycatch each year. (Number of fisheries).	3
	5. Interaction rates with Threatened Endangered and Protected species (TEPs) decreasing each year. (Number of fisheries).	3
	6. For economically significant stocks: ^(d)	
	a. maximise the number of key commercial stocks with harvest strategy targets based on Maximum Economic Yield (MEY) or the best available proxy. ^{(e),(f)}	At least 15.
	b. improve the number of stocks in (a) assessed as being on target. ^(f)	4
	c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point. ^(g)	6
	7. Major fisheries have harvest strategies that meet the Harvest Strategy Policy 2018 (HSP2018) within 3 years. (Number of fisheries).	0

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria ^(a)	Targets
2018–19 (continued)	8. Other fisheries have harvest strategies that meet the HSP2018 within 4 years. (Number of fisheries).	0
	9. Percentage of treatment targets for all priority domestic compliance risks met.	90 per cent. ^(h)
	10. Percentage of apprehended foreign IUU vessels and suspected illegal entry vessels (SIEVs) delivered to AFMA disposed of.	100 per cent.
	11. Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the Consumer Price Index (CPI) each year.	<\$18.8 million.
2019–20	1. Complete an ERA and FMS for each fishery every five years. (Number of fisheries). ^(b)	5
	2. The number of high risk rated species from ERAs declines.	80
	3. Fisheries reporting on general bycatch quantity ^(c) each year. (Number of fisheries).	8
	4. Fisheries reporting decreasing volume of general bycatch each year. (Number of fisheries).	6
	5. Interaction rates with TEPs decreasing each year (Number of fisheries).	5

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2019–20 (continued)	6. For economically significant stocks: ^(d)	
	a. maximise the number of key commercial stocks with harvest strategy targets based on MEY or the best available proxy. ^{(e),(f)}	At least 15.
	b. improve the number of stocks in (a) assessed as being on target. ^(f)	4
	c. for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point. ^(g)	7
	7. Major fisheries have harvest strategies that meet the HSP2018 within three years. (Number of fisheries).	6
	8. Other fisheries have harvest strategies that meet the HSP2018 within four years. (Number of fisheries).	2
	9. Percentage of treatment targets for all priority domestic compliance risks met.	90 per cent. ^(h)
	10. Percentage of apprehended foreign IUU vessels and SIEVs delivered to AFMA disposed of.	100 per cent.
	11. <i>Percentage of briefs of evidence relating to foreign offenders submitted to the Commonwealth Director of Public Prosecutions within 7–10 days from their arrival in Australia.</i>	<i>90 per cent.^(h)</i>

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2019–20 (continued)	12. Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the CPI each year.	<\$19.0 million.
2020–21 and beyond	1. <i>Complete an ERA and FMS for each fishery every five years. (Number of fisheries).</i> ^(b)	(all forward years) 5.
	2. <i>The number of high risk rated species from ERAs declines.</i>	(2020–21) 70 (2021–22) 60 (2022–23) 50
	3. <i>Fisheries reporting on general bycatch quantity^(c) each year. (Number of fisheries).</i>	(2020–21) 11 (2021–22) 15 (2022–23) 15
	4. <i>Fisheries reporting decreasing volume of general bycatch each year. (Number of fisheries).</i>	(2020–21) 10 (2021–22) 15 (2022–23) 15
	5. <i>Interactions with TEPs decreasing each year. (Number of fisheries).</i>	(2020–21) 8 (2021–22) 10 (2022–23) 15
	6. <i>For economically significant stocks:^(d)</i>	
	a. <i>maximise the number of key commercial stocks with harvest strategy targets based on MEY or the best available proxy.</i> ^{(e),(f)}	(all forward years) At least 15.
	b. <i>improve the number of stocks in (a) assessed as being on target.</i> ^(f)	(all forward years) 4.
	c. <i>for those stocks in (a) that are assessed as not on target, improve the number that are heading towards their target reference point.</i> ^(g)	(all forward years) 7.

Continued on following pages

Contributions to Outcome 1 (continued)

Performance information (continued)		
Year	Performance criteria^(a)	Targets
2020–21 and beyond (continued)	7. <i>Major fisheries have harvest strategies that meet the HSP2018 within three years. (Number of fisheries).</i>	(2020–21) 8 (2021–22) 10 (2022–23) 10
	8. <i>Other fisheries have harvest strategies that meet the HSP2018 within four years. (Number of fisheries).</i>	(2020–21) 4 (2021–22) 4 (2022–23) 5
	9. <i>Percentage of treatment targets for all priority domestic compliance risks met.</i>	(all forward years) 90 per cent. ^(h)
	10. <i>Percentage of apprehended foreign IUU vessels and SIEVs delivered to AFMA disposed of.</i>	(all forward years) 100 per cent.
	11. <i>Percentage of briefs of evidence relating to foreign offenders submitted to the Commonwealth Director of Public Prosecutions within 7–10 days from their arrival in Australia.</i>	90 per cent. ^(h)
	12. <i>Industry cost recovery charges do not exceed the levels derived by increasing the 2005–06 recoveries by the CPI each year.</i>	(2020–21) <\$19.3 million (2021–22) <\$19.7 million (2022–23) <\$20.2 million

Continued on following page

Contributions to Outcome 1 (continued)

Performance information (continued)	
Purposes⁽ⁱ⁾	<p>AFMA is responsible for:</p> <ul style="list-style-type: none"> • Managing Commonwealth fisheries resources consistent with principles of ecological sustainable development; • Maximising net economic returns to the Australian community from the management of Commonwealth fisheries; • Promoting compliance with Commonwealth fisheries laws and policies and relevant international fishing obligations and standards; • Delivering effective, cost efficient and accountable management of Commonwealth fisheries resources; and • Considering the economic benefits for recreational and Indigenous stakeholders as well as commercial fishers.

- (a) New or modified performance criteria that reflect new or materially changed programs are shown in italics.
- (b) Ecological Risk Assessments for Commonwealth managed fisheries and sub-fisheries have been completed. Species considered to be potentially at high risk are the subject of mitigation measures and further assessment. This may mean that projections of numbers of high risk species may vary from year to year. In addition, AFMA is currently applying a revised environmental risk assessment methodology which may lead to changes in reported values in future.
- (c) Bycatch other than TEPs.
- (d) Please note that not all Commonwealth fish stocks can be managed by MEY, for example, those managed under international regional bodies.
- (e) Where higher and lower value species are caught together, different targets for the lower value species may maximise net economic returns overall.
- (f) Assessment methodologies are being reviewed, projections may vary.
- (g) In AFMA managed fisheries, not including jointly and internationally managed fisheries.
- (h) Some targets do not set a 100 per cent level of achievement. This reflects the operational environment for AFMA in managing a wide range of commercial, recreational and Indigenous stakeholders and their impacts on Commonwealth marine resources.
- (i) Refers to updated purposes that will be reflected in the 2019–20 Corporate Plan.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2019–20 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Differences between entity resourcing and financial statements

The financial statements are prepared on an accrual basis where revenues and expenses are recognised as and when the resources are received and used. The entity resourcing table recognises cash resources available to be used during the period and includes amounts recognised as revenue in previous periods.

3.1.2 Explanatory notes and analysis of budgeted financial statements

AFMA expects to maintain a balanced budget position over the forward years, before depreciation and amortisation.

AFMA collects levies via regulations under the *Fishing Levy Act 1991*, in accordance with the *Fisheries Management Act 1991*, *Fisheries Administration Act 1991*, Australian Government cost recovery policy and AFMA's Cost Recovery Implementation Statement.

Administered income reflects the fines imposed by AFMA for domestic and international illegal fishing activities and the receipt of administered revenue for expenditure incurred.

Administered expenditure reflects payments to the providers of illegal foreign fishing vessel caretaking and disposal services.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1 Comprehensive income statement (showing net cost of services) (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Employee benefits	21,383	21,617	21,829	22,043	22,259
Supplier expenses	17,742	15,166	15,280	15,804	15,930
Depreciation and amortisation	1,599	1,573	1,711	1,511	1,486
Total expenses	40,724	38,356	38,820	39,358	39,675
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	2,423	2,193	2,237	2,281	2,327
Rental income	428	135	135	135	135
Levies and licence fees provided via crediting right to special account	14,300	14,520	14,665	14,812	14,960
Total own-source revenue	17,151	16,848	17,037	17,228	17,422
Gains					
Other	45	45	45	45	45
Total gains	45	45	45	45	45
Total own-source income	17,196	16,893	17,082	17,273	17,467
Net cost of (contribution by) services	23,528	21,463	21,738	22,085	22,208
Revenue from Government	19,908	19,890	20,027	20,574	20,722
Surplus (deficit) attributable to the Australian Government	(3,620)	(1,573)	(1,711)	(1,511)	(1,486)
Total comprehensive income (loss)	(3,620)	(1,573)	(1,711)	(1,511)	(1,486)
Total comprehensive income (loss) attributable to the Australian Government	(3,620)	(1,573)	(1,711)	(1,511)	(1,486)
Note: Impact of net cash appropriation arrangements					
	2018–19 \$'000	2019–20 \$'000	2020–21 \$'000	2021–22 \$'000	2022–23 \$'000
Total comprehensive income (loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations ^(a)	1,599	1,573	1,711	1,511	1,486
Total comprehensive income (loss) – as per the statement of comprehensive income	(1,599)	(1,573)	(1,711)	(1,511)	(1,486)

(a) From 2010–11, the Government introduced net cash appropriation arrangements where Bill No. 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill No. 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	8,261	7,879	7,879	7,879	7,497
Trade and other receivables	1,418	1,418	1,418	1,418	1,418
Total financial assets	9,679	9,297	9,297	9,297	8,915
Non-financial assets					
Land and buildings	4,271	3,675	3,089	2,503	1,917
Property, plant and equipment	2,027	1,890	1,681	1,483	1,456
Intangibles	225	222	146	271	253
Other	234	234	234	234	234
Total non-financial assets	6,757	6,021	5,150	4,491	3,860
Total assets	16,436	15,318	14,447	13,788	12,775
LIABILITIES					
Payables					
Suppliers	2,744	2,744	3,126	3,508	3,508
Accrued expenses	670	670	670	670	670
Total payables	3,414	3,414	3,796	4,178	4,178
Provisions					
Employee provisions	5,261	5,261	5,261	5,261	5,261
Total provisions	5,261	5,261	5,261	5,261	5,261
Total liabilities	8,675	8,675	9,057	9,439	9,439
Net assets	7,761	6,643	5,390	4,349	3,336
EQUITY*					
Parent entity interest					
Contributed equity	12,969	13,424	13,882	14,352	14,825
Reserves	4,199	4,199	4,199	4,199	4,199
Retained surplus (accumulated deficit)	(9,407)	(10,980)	(12,691)	(14,202)	(15,688)
Total Equity	7,761	6,643	5,390	4,349	3,336

*'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2019–20)

	Retained earnings	Revaluation Asset Reserve	Contributed equity/ capital	Total equity
	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2019				
Balance carried forward from previous period	(9,407)	4,199	12,969	7,761
Adjusted opening balance	(9,407)	4,199	12,969	7,761
Comprehensive income				
Surplus (deficit) for the period	(1,573)	-	-	(1,573)
Total comprehensive income	(1,573)	-	-	(1,573)
of which:				
Attributable to the Australian Government	(1,573)	-	-	(1,573)
Transactions with owners				
Contributions by owners				
Departmental Capital Budget (DCBs)	-	-	455	455
Sub-total transactions with owners	-	-	455	455
Estimated closing balance as at 30 June 2020	(10,980)	4,199	13,424	6,643
Closing balance attributable to the Australian Government	(10,980)	4,199	13,424	6,643

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	3,105	2,328	2,372	2,416	2,462
Appropriations	19,908	19,890	20,027	20,574	20,722
Other	14,300	14,520	14,665	14,812	14,960
Total cash received	37,313	36,738	37,064	37,802	38,144
Cash used					
Employees	21,383	21,617	21,829	22,043	22,259
Suppliers	17,697	15,121	14,853	15,377	15,885
Total cash used	39,080	36,738	36,682	37,420	38,144
Net cash from (used by) operating activities	(1,767)	-	382	382	-
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant, equipment and intangibles	4,979	837	840	852	855
Total cash used	4,979	837	840	852	855
Net cash from (used by) investing activities	(4,979)	(837)	(840)	(852)	(855)
FINANCING ACTIVITIES					
Cash received					
Contributed equity	769	455	458	470	473
Total cash received	769	455	458	470	473
Net cash from (used by) financing activities	769	455	458	470	473
Net increase (decrease) in cash held	(5,977)	(382)	-	-	(382)
Cash and cash equivalents at the beginning of the reporting period	14,238	8,261	7,879	7,879	7,879
Cash and cash equivalents at the end of the reporting period	8,261	7,879	7,879	7,879	7,497

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
CAPITAL APPROPRIATIONS					
Capital budget – Bill 1 (DCB)	597	455	458	470	473
Total capital appropriations represented by:	597	455	458	470	473
Total new capital appropriations represented by:					
Purchase of non-financial assets	597	455	458	470	473
Total items	597	455	458	470	473
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ^(a)	143	-	-	-	-
Funded by capital appropriation – DCB ^(b)	626	455	458	470	473
Funded internally from departmental resources ^(c)	4,210	382	382	382	382
TOTAL	4,979	837	840	852	855
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	4,979	837	840	852	855
Total cash used to acquire assets	4,979	837	840	852	855

(a) Includes current Appropriation Act No. 2 appropriations.

(b) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

(c) Includes the following sources of funding:

- annual and prior year appropriations;
- internally developed assets;
- section 74 Retained revenue receipts;
- proceeds from the sale of assets; and
- the AFMA Special Account under section 94B of the FAA.

Prepared on Australian Accounting Standards basis.

Consistent with information contained in the Statement of Asset Movements and the Budgeted Statement of Cash Flows.

Table 3.6: Statement of asset movements (Budget year 2019–20)

	Land	Buildings	Other property, plant and equipment	Intangibles	L&B IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2019						
Gross book value	975	4,313	2,624	6,740	2	14,654
Accumulated depreciation/amortisation and impairment	-	(1,017)	(597)	(6,515)	(2)	(8,131)
Opening net book balance	975	3,296	2,027	225	-	6,523
CAPITAL ASSET ADDITIONS						
Estimated expenditure on new or replacement assets						
By purchase – appropriation ordinary annual services ^(a)	-	-	373	464	-	837
Total additions	-	-	373	464	-	837
Other movements						
Depreciation/amortisation expense	-	(596)	(510)	(467)	-	(1,573)
Total other movements	-	(596)	(510)	(467)	-	(1,573)
As at 30 June 2020						
Gross book value	975	4,313	2,997	7,204	2	15,491
Accumulated depreciation/amortisation and impairment	-	(1,613)	(1,107)	(6,982)	(2)	(9,704)
Closing net book balance	975	2,700	1,890	222	-	5,787

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No. 1) 2019–20 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
EXPENSES					
Supplier	5,506	5,588	5,683	5,838	5,881
Total expenses administered on behalf of Government	5,506	5,588	5,683	5,838	5,881
Net Cost of (contribution by) services	5,506	5,588	5,683	5,838	5,881
Surplus (Deficit)	(5,506)	(5,588)	(5,683)	(5,838)	(5,881)
Total comprehensive income (loss)	(5,506)	(5,588)	(5,683)	(5,838)	(5,881)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
ASSETS					
Financial assets					
Receivables	1,058	1,844	1,844	1,844	1,844
Total financial assets	1,058	1,844	1,844	1,844	1,844
Total assets administered on behalf of Government	1,058	1,844	1,844	1,844	1,844
LIABILITIES					
Payables					
Suppliers	57	57	57	57	57
Total payables	57	57	57	57	57
Total liabilities administered on behalf of Government	57	57	57	57	57
Net assets/(liabilities)	1,001	1,787	1,787	1,787	1,787

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2018–19 Estimated actual \$'000	2019–20 Budget \$'000	2020–21 Forward estimate \$'000	2021–22 Forward estimate \$'000	2022–23 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash used					
Suppliers	5,506	5,588	5,683	5,838	5,881
Total cash used	5,506	5,588	5,683	5,838	5,881
Net cash from (used by) operating activities	(5,506)	(5,588)	(5,683)	(5,838)	(5,881)
Net increase (decrease) in cash held	(5,506)	(5,588)	(5,683)	(5,838)	(5,881)
Cash from Official Public Account for:					
– Appropriations	5,506	5,588	5,683	5,838	5,881
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

Table 3.10: Statement of administered asset movements (Budget year 2019–20)

The schedule of administered asset movements on behalf of Government is nil.

PORTFOLIO GLOSSARY

Term	Meaning
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Actual Available Appropriation	The Actual Available Appropriation indicates the total appropriations available to the entity for 2018–19 as at the 2019–20 Portfolio Budget Statements (PBS). It includes all appropriations made available to the entity in the year (+/- section 75 transfers, formal reductions, Advance to the Minister for Finance, movements of funds and other quarantines). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Additional Estimates	Appropriation Bills that seek appropriation authority from Parliament for the additional expenditure of money from the Consolidated Revenue Fund (CRF), in order to meet requirements that have arisen since the last Budget. Further annual appropriation Bills can be introduced during the year if required. These Bills are called the Additional Estimates (AEs) Appropriation Bills (after Mid-Year Economic and Fiscal Outlook (MYEFO)) or Supplementary Additional Estimates Appropriation Bills (at the same time as bills for the next budget).
Administered Items	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the CRF at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right. In many cases, administered items fund the delivery of third party outputs.
Annual Appropriation	<p>A law of the Commonwealth Parliament that provides authority to draw money from the CRF. An appropriation authorises expenditure for a specified purpose. The Commonwealth cannot spend money without an appropriation authorising that expenditure (and, in some cases, legislation other than an appropriation may be required to authorise the relevant expenditure).</p> <p>Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year, usually in February, as part of AEs.</p>

Term	Meaning
Appropriation	A law of the Parliament that provides authority for entities to spend money from the Consolidated Revenue Fund for a particular purpose. Entities may not spend money without an appropriation authorising that expenditure and, where necessary, other legislation authorising the specified purpose.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information on the economic and fiscal outlook for the Australian Government, including information on the government's fiscal strategy.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each Budget measure (revenue, expense and capital) by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories and local government.
Budget Paper 4 (BP4)	Agency Resourcing. Contains information on resourcing for Australian Government entities (including special appropriations, special accounts and a summary of agency resourcing).
Capital Expenditure	Expenditure by an entity on capital projects, for example purchasing a building.
CRF	The Consolidated Revenue Fund (CRF) is established by section 81 of the Constitution and consists of all revenues and moneys raised or received by the executive government of the Commonwealth. The CRF is self-executing in nature, which means that all money forms part of the CRF automatically upon receipt by the Commonwealth.
DCB	Departmental (or Administered) Capital Budget (DCB/ACB) are provided to non-corporate Entities (as an equity injection) that receive government funding to meet the costs associated with the replacement of minor assets (assets valued at \$10 million or less) or maintenance costs that are eligible to be capitalised. The funding for depreciation, amortisation and make-good expenses was replaced with a DCB in the 2010-11 Budget.
Departmental item	Resources (assets, liabilities, revenues and expenses) that the entity's Accountable Authority controls directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.

Term	Meaning
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Equity or net assets	Residual interest in the assets of an entity after deduction of its liabilities.
Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not end until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: e.g. Australian National Audit Office (ANAO) audit services – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Fair value	Valuation methodology: the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Forward Estimates Period	The three years following the Budget year. For example, if 2019–20 is the Budget year, 2020–21 is forward year 1, 2021–22 is forward year 2 and 2022–23 is forward year 3. This period does not include the current financial year or the Budget year.
General Finance Statistics	A reporting framework that is a specialised statistical system designed to support economic analysis of the public sector. It allows for comprehensive assessments of the economic impact of government and is consistent with international statistical standards of the International Monetary Fund and the System of Nationals Accounts.

Term	Meaning
Levies	Money collected and administered by the department on behalf of industry for use in research and development, marketing and promotion, plant and animal health programs and residue testing activities that benefit industry.
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in BP2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
MYEFO	The Mid-Year Economic and Fiscal Outlook provides an update of the government's Budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
NCCE	Non-Corporate Commonwealth Entity under the Public Governance, Performance, and Accountability Act 2013.
OPA	The Commonwealth's central bank account. The Official Public Account (OPA) is one of a group of linked bank accounts, referred to as the Official Public Account Group of Accounts. OPAs are maintained with the Reserve Bank of Australia, as required by subsection 53(3) of the PGPA Act.
Operating Result	Equals revenue less expense.
Outcomes	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community as influenced by the actions of the Australian Government. Actual outcomes are assessments of the end-results or impacts actually achieved.
PAES	Portfolio Additional Estimates Statements. These are Budget Statements prepared by portfolios to explain appropriations at Additional Estimates.
PBS	Portfolio Budget Statements. These are Budget Statements prepared by portfolios to explain appropriations at the time of the Budget.
PGPA Act	Public Governance, Performance and Accountability Act 2013.

Term	Meaning
Program	The name given to the variety of activities a government agency may undertake to achieve stated outcomes.
Revenue	Total value of resources earned or received to cover the production of goods and services.
Special Account	A type of special appropriation, limited by amount, criteria or time, which may be established under sections 78 and 80 of the PGPA Act.
Special Appropriations	Authority within an Act (other than an annual Appropriation Act) to spend money from the Consolidated Revenue Fund for particular purposes.
Specific Purpose Payments	Commonwealth payments to states and territories made under the Federal Financial Relations Act 2009.
Supplementary Additional Estimates	Where amounts appropriated in the Budget and at Additional Estimates are insufficient, the Parliament may appropriate more funds to portfolios at Supplementary Additional Estimates. This is done through Appropriation Bills (No. 5) and (No. 6). These Bills are usually introduced into the Parliament with the Budget in May.
Third Party Payments	Payments made on behalf of another entity, or by other entries on behalf of the agency. For example, payments made in relation to Special Appropriations.

PORTFOLIO ABBREVIATIONS

AEs	Additional Estimates
AFMA	Australian Fisheries Management Authority
AGVET	Agricultural and Veterinary
AOP	Annual Operational Plan
APVMA	Australian Pesticides and Veterinary Medicines Authority
AQIS	Australian Quarantine and Inspection Service
CCE	Corporate Commonwealth Entity under the <i>Public Governance, Performance, and Accountability Act 2013</i> .
CEO	Chief Executive Officer
CPI	Consumer Price Index
CRDC	Cotton Research and Development Corporation
CRF	Consolidated Revenue Fund
CRIS	Cost Recovery Implementation Statement
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DCB	Departmental Capital Budget
DCB	Departmental Capital Budget
DoEE	Department of the Environment and Energy
EPFR	Emergency Plant Pest Response
ERA	Ecological Risk Assessment
ESD	Ecologically Sustainable Development
FAA	<i>Fisheries Administration Act 1991</i>
FAO	Food and Agriculture Organization of the United Nations

FMA	<i>Fisheries Management Act 1991</i>
FMS	Fisheries Management Strategy
FOB	Free on Board
FRDC	Fisheries Research and Development Corporation
GRDC	Grains Research and Development Corporation
GST	Goods and Services Tax
HSP2018	Harvest Strategy Policy 2018
IUU	Illegal, Unreported and Unregulated
LiverCorp	Australian Livestock Export Corporation Limited
MACs	Membership Management Advisory Committees
MDBA	Murray-Darling Basin Authority
MEY	Maximum Economic Yield
MYEFO	Mid-Year Economic and Fiscal Outlook
NCCE	Non-Corporate Commonwealth Entity under the <i>Public Governance, Performance, and Accountability Act 2013</i> .
NP	National Partnership
NRS	National Residue Survey
NWILF	National Water Infrastructure Loan Facility
OC1	Outcome 1
OC2	Outcome 2
OC3	Outcome 3
ODA	Official Development Assistance
OPA	Official Public Account
PAES	Portfolio Additional Estimates Statements

PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance, and Accountability Act 2013</i>
PHA	Plant Health Australia
PZJA	Protected Zone Joint Authority
RAGs	Resource Assessment Groups
RD&E	Research, Development and Extension
R&D	Research and Development
RDC	Research and Development Corporations
RIC	Regional Investment Corporation
RIRDC	Rural Industries Research and Development Corporation (known as AgriFutures Australia)
SIEV	Suspected Illegal Entry Vessel
SRWUIP	Sustainable Rural Water Use and Infrastructure Program
TAC	Total Allowable Catches
TEPs	Threatened Endangered and Protected species
TSFA	<i>Torres Strait Fisheries Act 1984</i>
WELS	Water Efficiency Labelling and Standards
Wine Australia Act	<i>Wine Australia Act 2013</i>

